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BY

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Editor of "Canada: An Encyclopaedia of the Country," in Six Volumes; Author of "the Story of the Dominion"; "Queen Victoria: Her Life and Reign"; "The Progress of Canada," Etc., Etc.

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TO

The Honourable

Sir Charles Tupper, Bart., G.C.M.G., C.B.

WHO HAS IMPRESSED UPON CANADIAN HISTORY SO MUCH THAT IS REMARKABLE IN PERSONAL FORCE OF CHARACTER, VIGOUR OF SPEECH AND ACTION AND EARNESTNESS OF CONVICTION AND PURPOSE; AND WHOSE CAREER AS A STATESMAN HAS MADE HIM A FATHER OF CONFEDERATION, A FOUNDER OF THE CANADIAN TRANSPORTATION SYSTEM, A DISTINGUISHED REPRESENTATIVE OF CANADIAN INTERESTS AT THE HEART OF THE EMPIRE, A PIONEER ADVOCATE OF PREFERENTIAL TRADE, AND A PRIME MINISTER OF HIS NATIVE COUNTRY

THIS VOLUME

IS

Inscribed

WITH SINCERE REGARD AND RESPECT

BY

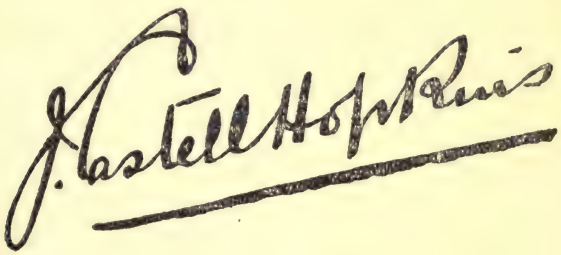
THE AUTHOR

INTRODUCTION

THIS fourth volume of THE CANADIAN ANNUAL REVIEW does not, perhaps, require a prefatory note. To those who have understood the purposes and usefulness of the work in past years no explanation of its character is necessary, and to those who have failed as yet to appreciate or make use of it only a word of the anticipatory or speculative kind can be addressed.

One thing may be done, however, and that is the tendering of the Author's sincere thanks for personal and practical evidences of appreciation from many men of eminence in different countries; from various members of the Canadian Government and from succeeding Prime Ministers of the Commonwealth of Australia; from the Provincial Governments of Ontario and Manitoba in particular; from the Government of Newfoundland and the Minister of Commerce and Industries in New Zealand; and from many large Canadian interests. A subject for self-gratulation is the growing appreciation of the work by Librarians and public men.

A word of a personal kind may conclude these lines, and it is one of simple but earnest thanks to Lieutenant-Colonel James Mason, President of the Company which has undertaken the publication of the work. To his unwearying support and patriotic interest in a project which he believed would be useful to Canada is due its present hopeful stage of progress.



TORONTO, 3rd June, 1905.

CONTENTS

I.—DOMINION POLITICAL AFFAIRS

	PAGE
Early Political Events of the Year	17
The Last Session of the Ninth Parliament	18
Changes in the Dominion Cabinet	25
Mr. R. L. Borden in the Eastern Townships	28
Mr. F. D. Monk and the Quebec Leadership	29
The Dominion Bye-elections	31
Fiscal Discussions throughout the Country	33
The Canadian Manufacturers' Association and the Tariff	38
The Woollen Industry and the Tariff	41
British Columbia and the Bounties on Lead	43
The Western Lumber Situation and the Tariff	44
The Budget and Mr. Fielding's Tariff Changes	49
The Budget and the Tariff Discussed in Parliament	51
Public Discussion of the Tariff Changes	53
The Tobacco Industry and the Tariff	55
Farm and Garden Products and the Tariff	57
Western Boards of Trade Convention	57
The Public Ownership of Utilities and Railways	59
Public Ownership Discussed in Parliament	66
Progress of the Grand Trunk Pacific Project	67
The Grand Trunk Authorities and the Trans-Continental	69
The Premier presents the Amended Agreement to Parliament	73
The Opposition Leader's Criticism and Railway Policy	74
Progress of the Government Ownership Idea in regard to Railways	77
Mr. Borden's Definite Position as to Public Ownership	80
Public Opinion and Mr. Borden's Policy	82
Discussion of Mr. Blair's Railway Memorandum	84
Discussion of the Project in Parliament—the Liberal View	85
Discussion of the Project in Parliament—the Conservative View	88
Alien Labour and the Grand Trunk Pacific	92
Estimated Cost of the Grand Trunk Pacific Project	96
The Peace River Region and the Railway	98
Further Progress of the Trans-Continental Railway	100
The Cornwall Canal Question and certain Appointments to Office	102
The Auditor-General's Position and Resignation	106
Lord Dundonald's Work in Canada prior to June, 1904	110
Incidents preceding and associated with the Dundonald Affair	114
The Montreal Speech which precipitated the Issue	115
Parliamentary Discussion of Lord Dundonald's Statements	118
The Order-in-Council Regarding Lord Dundonald	122
Dismissal of the General Officer Commanding the Militia	124
Lord Dundonald Appeals from the Government to the People	126
Parliament Discusses the Dismissal of the General Officer Commanding	130
Lord Dundonald's Great Reception in Toronto	135
Other Farewell Demonstrations to Lord Dundonald	138
The Dundonald Affair as seen by the British Press	140
Canadian Expressions of Opinion in England	143
A Dundonald Discussion in the British Parliament	145
Aftermath of the Dundonald Affair—Race-Cry and Militarism	147
The Hon. Mr. Fielding's Toronto Speech	151
The Minister of Marine and Fisheries in the West	153
Ownership, Navigation and Resources of Hudson's Bay	154
The Moral Aspect of Canadian Public Life	157
Dominion Appointments and Political Incidents	159
Senators Appointed during, 1904	164

II.—DOMINION GENERAL ELECTIONS

	PAGE
Party Preparations for the General Elections	165
Dissolution of the Dominion Parliament	167
Party Policies and Issues throughout the Country	169
Sir Wilfrid Laurier opens the Campaign	174
The Opposition Leader's Tour of Ontario	176
Ontario Tour of Sir Wilfrid Laurier	181
Mr. Borden in Quebec and the Maritime Provinces	185
The Prime Minister in his Native Province	187
The Manifesto of the Opposition Leader	188
Mr. A. B. Aylesworth in the Durham Contest	189
The Candidature of Mr. Foster in North Toronto	192
The Grand Trunk Pacific and the Campaign	195
The Autonomy Question and the Territories	202
The Dundonald Issue in the Elections	204
Militarism and the Race-Cry in the Elections	210
The Auditor-General's Participation in the Contest	215
The Ontario Government's Share in the Elections	216
The Yukon Charges and Local Controversies	217
The Blair-Russell Incident and its Developments	221
Party Promises to the Constituencies	227
Miscellaneous Incidents of the Campaign	230
Party Changes and Expectations	233
The Result of the Electoral Struggle	235
Reasons for the General Results	242
Mr. Chamberlain and the Result of the Elections	244
Aftermath of the General Elections	246
Mr. Borden's Defeat and the Conservative Leadership	249
Continuation of the Russell-Blair Controversy	250
The Ballot Box Conspiracy in West Hastings	254

III.—POLITICAL AFFAIRS IN ONTARIO

The Position and Work of the Government	257
The Meeting and Work of the Legislature	262
The Government Policy toward the Sault Industries	268
Railway Subsidies and Railway Taxation	274
The Sturgeon Falls School Controversy	278
Provincial Election Protests and Trials	279
Reconstruction of the Ross Government	286
The Liberal Convention in Toronto	287
The Conservatives of the Province in Conference	293
The Government and the Temperance Question	296
Public Opinion and Charges of Corruption	302
The Dissolution of the Legislature	304
The Progress of the General Elections	306

IV.—GENERAL PROVINCIAL AFFAIRS

The Government of Quebec Province in 1904	310
The Session of the Quebec Legislature	313
The Provincial General Elections in Quebec	318
Internal Complications in the Liberal Party	325
Politics and Legislation in Nova Scotia	327
Political Affairs in New Brunswick	330
Public Affairs and General Elections in Prince Edward Island	333
Political Affairs in Manitoba	337
Territorial Politics and the Autonomy Question	340
The Proposed Extension of Manitoba's Boundaries	345
Political Affairs in British Columbia	346
Political Affairs in the Yukon	352
Questions at Issue between the Provinces and the Dominion	354
Provincial Appointments and Political Incidents	355

V.—DOMINION AND PROVINCIAL FINANCES

PAGE
The Dominion Budget of 1904 358
The Budget and Finances of Ontario 359
The Budget and Finances of Quebec 361
The Financial Statements of the Maritime Provinces 362
The Manitoba Financial Statement 363
The Financial Statement of the North-West Territories 364
The Financial Condition of British Columbia 364

VI.—RELATIONS OF CANADA WITH THE EMPIRE

The Government of the Empire in 1904 366
The Close of Lord Minto's Administration in Canada 370
Appointment and Arrival of Earl Grey as Governor-General 373
The Canadian Preferential Tariff 376
Mr. Chamberlain's Campaign for Fiscal Reform 378
The Proposal for another Colonial Conference 383
British Trade Conditions and Tariff Discussions 386
Canadian View of Mr. Chamberlain's Policy 390
Hon. George E. Foster's Advocacy of Preferential Trade 397
Australian Opinion of the Chamberlain Policy 399
Re-organization of the British Defence System 404
Canadian Opinion of the Imperial Arrangements 406
Canada and the General Defence Problem 408
Opinions of the Canadian Press on Empire Defence 411
General Defence Discussions in Great Britain 414
Defence Conditions and Policy in Australia 416
Relations of Canada and Newfoundland during 1904 418
Settlement of the French Shore Question 424
Lord Strathcona and other Canadians in Great Britain 426
Visit of the Archbishop of Canterbury to Canada 429
Other British Visitors to the Dominion 431
Canada and the Treaty-making Power 435
Occasional Discussion of the Independence Idea 436
The Canadian Associated Press and Imperial News 439
Imperial Incidents of Canadian Concern 440
British Empire Statistics, 1901-2 444
Canadian Incidents of Imperial Interest 444

VII.—RELATIONS WITH THE UNITED STATES

General Relations of the two Countries 448
United States Advocacy of Reciprocity 450
Canadian Sentiment Regarding Reciprocity 454
Incidents of International Interest to Canada 457

VIII.—MILITIA INTERESTS AND AFFAIRS

Report of the General Officer Commanding the Militia 464
The Militia Legislation of 1904 466
Parliamentary Discussion of the Militia Act 469
Militia Policy, Plans and Conditions 474
Promotions, Changes and Appointments in the Militia 477
Minor Militia Interests and Incidents 480

IX.—TRANSPORTATION INTERESTS OF CANADA

Railways and Waterways 484
The Canadian Pacific Railway 487
The Grand Trunk Railway of Canada 490
The Canadian Northern Railway 494
The Intercolonial Railway System 496
The Grand Trunk Pacific Railway Project 497
The Railway Commission in 1904 498
Miscellaneous Transportation Affairs 500

X.—FINANCE AND INSURANCE, COMMERCE AND INDUSTRY

PAGE
Canadian Business Conditions during 1904 505
Banking Interests and Conditions 508
Loan Companies in Canada 511
Canadian Life Insurance in 1904 511
Fraternal Life Insurance in Canada 512
Canadian Fire Insurance in 1904 514
Insurance and Financial Incidents 516
General Trade Conditions of the Year 520
Canadian Industrial Conditions and Progress 522

XI.—AGRICULTURE AND FORESTS

Agricultural Developments and Conditions 526
Forest Production and Conditions 530
The Position and Progress of Northern Ontario 532
Incidents relating to Agriculture and the Forest Industry 535

XII.—MINES AND FISHERIES

Canadian Mines and Minerals 539
The Fishery Interests of Canada 543
Miscellaneous Mines and Minerals 544

XIII.—RELIGIOUS AND MORAL INTERESTS

The Proposed Union of Three Historic Churches 550
Religious and Moral Incidents of the Year 556
I. The Church of England 556
II. Presbyterian Church in Canada 558
III. The Roman Catholic Church 559
IV. The Methodist Church of Canada 562
V. Baptist and other Religious Interests 564
Women's Work and Position 567
Temperance and Prohibition 569
Crime and Moral Conditions 574

XIV.— EDUCATIONAL AFFAIRS

The Rhodes Scholarships in Canada 577
General Educational Conditions and Questions 577
Education in Ontario during June, 1904 579
Public Instruction in Quebec 582
Popular Education in the Maritime Provinces 585
Education in Manitoba and the West 587
Miscellaneous Educational Incidents 590
Honourary Degrees Conferred during the Year 597
University and College Appointments of the Year 598
Enrolment and Graduates of Canadian Universities 598

XV.—MISCELLANEOUS FACTS AND INCIDENTS 599

XVI.—CANADIAN OBITUARY IN 1904 602

INDEX TO NAMES 605

INDEX OF AFFAIRS 616

SUPPLEMENT 630

ILLUSTRATIONS

PAGE

THE RT. HON. THE EARL GREY, G.C.M.G., incoming Governor-General of Canada ..... *Frontispiece*

THE RT. HON. THE EARL OF MINTO, P.C., G.C.M.G., retiring Governor-General of Canada 16

THE HON. RODOLPHE LEMIEUX, K.C., M.P., appointed Solicitor-General of Canada 26

THE HON. CHARLES SMITH HYMAN, M.P., appointed Minister without Portfolio and Acting Minister of Public Works 26

THE HON. SIR GEORGE ALEXANDER DRUMMOND, K.C.M.G., Senator of Canada. Knighted by H. M. the King 64

SIR HUGH MONTAGU ALLAN. Knighted by H. M. the King 64

THE RT. HON. SIR HENRI ELZEAR TASCHEREAU, Chief Justice of Canada, appointed to the Imperial Privy Council 80

THE HON. ADOLPHE BASILE ROUTHIER, LL.D., D.C.L., LIT.D., appointed Chief Justice of the Superior Court of Quebec 80

THE HON. HENRY R. EMMERSON, M.P., appointed Minister of Railways and Canals 112

THE HON. GEORGE E. FOSTER, M.A., D.C.L., elected M.P. for North Toronto.. 112

FLETCHER BATH WADE, K.C., M.P., appointed Chairman of the Trans-continental Railway Commission 144

THE HON. N. A. BELCOURT, K.C., M.P., elected Speaker of the Canadian House of Commons 144

PULP-WOOD IN THE THESSALON RIVER, Northern Ontario 168

WHEAT ELEVATORS AT DELORAINE, Manitoba 192

MR. J. LORN MCDOUGALL, C.M.G., I.S.O., LL.D., Auditor-General of Canada... 214

THE HON. J. H. AGNEW, M.L.A., appointed Provincial Treasurer of Manitoba. 214

MR. W. K. GEORGE, President of the Canadian Manufacturers' Association... 214

CATTLE RANCH AT NICOLA, British Columbia 264

MR. D. M. STEWART, Second Vice-President and General Manager of the Sovereign Bank of Canada 288

THE RT. REV. DR. S. P. MATHESON, Administrator of the Arch-diocese of Rupert's Land 288

THE HON. SIMON NAPOLEON PARENT, M.P.P., Premier of Quebec Province, Mayor of the City of Quebec, and President of the Quebec Bridge Co..... 320

THE HON. EDMUND J. FLYNN, K.C., Leader of the Conservative Opposition in the Province of Quebec 320

THE MOST REV. AND RT. HON. DR. RANDALL T. DAVIDSON, Archbishop of Canterbury and Primate of all England. Visited Canada in 1904..... 370

COLONEL SIR C. E. HOWARD VINCENT, K.C.M.G., C.B., M.P. Addressed various meetings in Canada during 1904 432

PAGE

WILLIAM OSLER, M.D., F.R.S., appointed Regius Professor of Medicine at the University of Oxford 432

CROW'S NEST PASS COLLIERIES—Tipple and Coke Ovens at Michel, B.C. 504

CROW'S NEST PASS COLLIERIES—Coke Ovens at Fernie, B.C. 504

THE RT. REV. DR. CLARE L. WORRELL, Consecrated Anglican Bishop of Nova Scotia 556

REV. DR. G. M. MILLIGAN, Moderator (1904-5) of the Presbyterian Church in Canada 556

THE RT. REV. A. ARCHAMBEAULT, Consecrated Roman Catholic Bishop of Joliette 556

THE RT. REV. J. S. H. BRUNAULT, D.D., Consecrated Roman Catholic Bishop of Nicolet 556

THE MOST REV. ROBERT MACHRAY, D.D., LL.D., D.C.L., Archbishop of Rupert's Land and Primate of all Canada. Died Mar. 9th, 1904 564

THE REV. WILLIAM CAVEN, D.D., LL.D., Principal of Knox College, Toronto. Died Dec. 1st, 1904 564

SIR WILLIAM C. MACDONALD, the Donor of large sums of money to purposes of Education in 1904 and preceding years 588

IAN CAMPBELL HANNAH, M.A., D.C.L., appointed President of King's College, Windsor, N.S. 588

SUPPLEMENT

THE CANADIAN NORTHERN RAILWAY 630

THE HOME BANK OF CANADA 633

THE "EMPIRE REVIEW," London, England 634

THE CANADIAN "GRAPHIC" 636

WORKS OF J. CASTELL HOPKINS 637

THE GRAND TRUNK RAILWAY OF CANADA 638

THE CANADIAN PACIFIC RAILWAY 639

CANADIAN BOOKS OF THE YEAR

NOVELS AND ROMANCES

Name of Book.	Author.	Published by
The Prospector	Ralph Connor (Rev. C. W. Gordon).	Toronto : The Westminster Co.
Gabriel Praed's Castle	Miss Alice Jones	Boston : H. B. Turner.
The Prisoner of Mademoiselle	Charles G. D. Roberts	Toronto : Copp, Clark Co.
By the Queen's Grace	Mrs. Virna Sheard	Toronto : Briggs.
Doctor Luke of the Labrador	Norman Duncan	Toronto : Fleming H. Revell.
The Mystic Spring and other Tales of Western Life.	D. W. Higgins	Toronto : Briggs.
A Chicago Princess	Robert Barr	Toronto : McLeod & Allen.
The Children of the Forest	Egerton Ryerson Young	
Harold Bowdoin's Investment	Mrs. H. E. Colter	
The Quest of the Fatal River	Agnes Maule Machar	
Sa' Zada Tales	W. A. Fraser	
Tales of the St. John River	Ernest S. Kirkpatrick	Toronto : Briggs.
Isolda : A Magyar Romance	J. W. Fuller	
The Watchers of the Trails	Charles G. D. Roberts	Montreal : A. T. Chapman.
The Ladder of Swords	Sir Gilbert Parker, D.C.L., M.P.	Toronto : Copp, Clark Co.
The Imperialist	Mrs. Sara Jeanette Cotes	Toronto : Copp, Clark Co.
Monarch : The Big Bear of Talac.	Ernest Thompson-Seton	Toronto : Morang.
Nita : The Story of an Irish Setter	Marshall Saunders	
Brave Hearts	W. A. Fraser	Toronto : Morang.

POETRY

Songs of the West	Marion E. Moodie	Toronto : Briggs.
A Song of December	H. Isabel Graham	Toronto : Briggs.
Between the Lights	Isabel Ecclestone MacKay	Toronto : Briggs.
Songs from a Northern Garden	Bliss Carman	Toronto : Copp, Clark Co.
The Radiant Road	Ethelwyn Wetherald	Boston : R. G. Badger.
Poems	Robert Elliott	London : Lawson & Jones.
Les Aspirations	W. Chapman	
Poems	James Alexander Tucker, B.A.	Toronto : Briggs.
Woven Thoughts	Mrs. R. C. Guerin	Toronto : Briggs.
Sombre Tints	Francis Blake Crofton	Halifax : Imperial Pub. Co.
Poems, Songs, Ballads	Carroll Ryan	
Rhyme-Thoughts for a Canadian Year.	Annie L. Jack	Toronto : Briggs.

HISTORY, POLITICS AND BIOGRAPHY

Quebec : Its Topography, History, Legends and Historical Treasures and Surroundings.	Hon. A. B. Routhier, LL.D., Judge of the Superior Court of Quebec.	Montreal : Reynolds Pub. Co.
Joseph Howe	Hon. J. W. Longley, K.C., D.C.L.	Toronto : Morang.
Principal Grant	Wm. Lawson Grant and Frederick Hamilton.	Toronto : Morang.
Life of Sir John Beverley Robinson.	Maj.-General C. W. Robinson, C.B.	Toronto : Morang.
Papineau and Cartier	A. D. DeCelles, D.C.L.	Toronto : Morang.
The Fight for Canada	Major William Wood	Toronto : Mission Book Co.
Sir Frederick Haldimand	Jean N. McIlwraith	Toronto : Morang.
The History of the Northern Interior of British Columbia.	Rev. A. G. Morice, O.M.I.	Toronto : Briggs.
Empire Club Speeches (Edited)	Professor William Clark, D.C.L.,	Toronto : Briggs.
A History of the Central Presbyterian Church, Galt.	Rev. J. A. R. Dickson	Toronto : Briggs.
The Beginnings of Methodism	Rev. G. O. Heustis	Toronto : Briggs.
The British Nation	Prof. George M. Wrong, M.A.	Toronto : Morang.
Pathfinders of the West	Agnes C. Laut	Toronto : Briggs.
Speeches and Addresses	John Charlton, ex-M.P.	Toronto : Morang.
The War of 1812 between Great Britain and the United States.	James Hannay, D.C.L.	Toronto : Morang.
Jean Talon, Intendant de la Nouvelle France	Hon. Thomas Chapais, M.L.C.	Quebec : S. A. Demers.
History of Presbyterianism in Prince Edward Island.	The Rev. John McLeod	Chicago : The Winona Pub. Co.
Histoire de la Corporation de la Cité de Montreal.	J. Cléophas Lamothe and others.	
The Talbot Régime	Judge C. O. Ermatinger	St. Thomas : Municipal World Co
La Famille Taché		Levis : Pierre-Georges Roy.
Annals of Sault Ste. Marie	Edward H. Capp	
Mgr. Grandin, Premier Evéque de Saint Albert.	R. P. E. Jouquet	Montreal : Giroux.

Name of Book.	Author.	Published by
Documentary History of Education in Upper Canada. Vol. XI.	J. George Hodgins, M.A., LL.D., I.S.O.	Toronto : King's Printer.
Mary Queen of Scots	Rev. C. A. Campbell, D.D., Ph.D.	
Life and Work of Donald H. MacVicar.	Rev. J. H. MacVicar	Toronto : Westminster Co.
Egerton Ryerson	Rev. Nathanael Burwash, S.T.D.	Toronto : Morang.
Old-Time Primitive Methodism in Canada	Mrs. R. P. Hopper	Toronto : Briggs.
Britain and the Empire	J. Harold Putman, B.A.	Toronto : Morang.
The Story of the Canadian People	D. M. Duncan, B.A.	Toronto : Morang.
The Fortress of Quebec, 1608–1903	A. G. Doughty, Lit.D.	Quebec : Dussault & Proulx.

WORKS OF REFERENCE

The Statistical Year-Book	George Johnson, F.S.S., D.C.L.	Ottawa : Dept. of Agriculture.
The Canadian Annual Review of Public Affairs.	J. Castell Hopkins, F.S.S.	Toronto : Annual Review Co.
The Members' Manual	Charles Clarke, Clerk of the Legislative Assembly of Ontario	Toronto : King's Printer.
The Canadian Law List (Hardy's).	H. Cartwright	Toronto : Can. Legal Pub. Co.
The Canadian Almanac	Arnold W. Thomas	Toronto : Copp, Clark Co.
Canadian Criminal Cases, Vols. 7 and 8. (Edited).	W. J. Tremeear	Toronto : Canada Law Book Co.
Canadian Railway Cases, Vol. 3. (Edited).	Angus MacMurchy and Shirley Denison.	Toronto : Canada Law Book Co
Commercial Law Reports, Vol. 3. (Edited).	W. R. P. Parker	Toronto : Canada Law Book Co.
Canadian Annual Digest	Messrs. Marters & Morse	Toronto : Canada Law Book Co.

MONOGRAPHS AND PAMPHLETS

The Friendship of Art	Bliss Carman	Toronto : Copp, Clark Co.
My Memory of Gladstone	Goldwin Smith, D.C.L., LL.D.	
Imperial Preferential Trade	Prof. Adam Shortt, M.A.	Toronto : Morang.
The Trust Company Idea and Its Development.	Ernest Heaton	Toronto : Hunter, Rose Co.
Proceedings of the Canadian Club, Toronto, for 1903-4.		Toronto : Warwick Bros. & Rutter.
Papers and Records of the Ontario Historical Society.		
Canadian Banking	Duncan M. Stewart.	
Brief History of Canada with a Short Sketch of Canadian Civics.	John E. Walsh	Quebec.
Lectures on the History of the Middle Ages.	George D. Ferguson	Kingston.
Illustrious Men	Rev. D. C. Hossack, M.A.	Toronto : Briggs.
A Bibliography of Canadian Fiction.	Prof. L. E. Horning and Lawrence J. Burpee.	Toronto : Briggs.
Proceedings New Brunswick Historical Society.		Sun Printing Co., St. John.
Education and the Constitution.	Hon. P. Boucher de la Bruére, Superintendent of Public Instruction, Quebec.	Toronto : University Press.
University of Toronto Studies, Vol. II., No. 3 :		
1. Municipal History of Manitoba.	Alan C. Ewart	
2. Municipal Government in North-West Territories.	S. Morley Wickett, Ph.D.	
3. Municipal Institutions in the Province of Quebec.	R. Stanley Weir	
Canada, A Modern Nation	W. D. Lighthall, M.A., F.R.S.C.	Montreal *Witness*.
Revenue Tariff Within the Empire.	Arch. McGoun, K.C., B.C.L.	
The Chamberlain Proposals from a Canadian Point of View.	J. C. Sutherland	

MISCELLANEOUS

New Studies of Canadian Folk-Lore.	H. Beaugrand	Montreal : E. M. Renouf.
Our Little Canadian Cousins	Elizabeth Roberts McDonald	Boston : L. C. Page & Co.
Handbook of Commercial Law	Wm. Patterson, M.A., B.C.L., LL.B.	Montreal : C. Theoret.
Code Municipal de la Province de Québec, Annoté.	J. E. Bedard, K.C., LL.D.	Montreal : C. Theoret.
The Civil Code of the Province of Quebec, Annotated.	J. J. Beauchamp, K.C.	Montreal : C. Theoret.
The Canadian West : A Geography of Manitoba and the North-West Territories.	Alexander McIntyre	Toronto : Morang.

Name of Book.	Author.	Published by
Lines of Religious Inquiry	Goldwin Smith, D.C.L., LL.D.	
Rules and Forms of Procedure in the Church Courts of the Presbyterian Church in Canada.	Rev. R. H. Warden, D.D. / Rev. Robert Campbell, D.D.	
Discoveries and Explorations in the 19th Century.	Charles G. D. Roberts	Brantford : Bradley-Garretson.
Progress of Education in the 19th Century.	James L. Hughes / L. R. Klemm	Brantford : Bradley-Garretson.
Canaan and Canada	Rev. C. B. Kenrick, M.A.	Toronto : Morang.
Text-Book on Obstetrics	Prof. Adam H. Wright, B.A., M.D.	Toronto : Morang.
Clement's Law of the Canadian Constitution (2nd edition).		Toronto : The Carswell Co.
Holmsted & Langton's Forms and Proceedings in the Supreme Courts, etc.		Toronto : The Carswell Co.
Histrionic Montreal	Franklin Graham	Montreal : John Lovell & Sons.
Geometry for Schools	Prof. Alfred Baker, M.A., F.R.S.C.	Toronto : Gage & Co.
Muskoka Memories : Sketches from Real Life.	Ann Hatheway	Toronto : Briggs.
Great Facts for Christian Living.	Rev. G. B. McLeod, B.A.	Toronto : Briggs.
The Circle of the Year—Fairy Stories.	Elizabeth Sanderson	Toronto : Briggs.
Municipal Trading in Great Britain.	W. Richmond Smith	Toronto : Briggs.
Landlord and Tenant	Edwin Bell	Toronto : Canada Law Book Co.
The Liquor Laws of Canada	W. J. Tremeear	Toronto : Canada Law Book Co.
Serviteurs et Servantes de Dieu en Canada.	N. E. Dionne, F.R.S.C.	
Sketches of Indian Life	Rev. Frederick Frost	Toronto : Briggs
Osgoode Hall. Reminiscences of the Bench and Bar.	James Cleveland Hamilton	Toronto : The Carswell Co.
He That Hath Received the Five Talents.	J. Clark Murray, LL.D., F.R.S.C.	London : Fisher Unwin.
Report on Canadian Archives (1903).	George H. O'Halloran	Ottawa : King's Printer.

IMPORTANT BOOKS OF THE YEAR RELATING TO CANADA

The Fight with France for North America.	A. G. Bradley	Toronto : Morang.
Life of Francis Parkman	H. D. Sedgwick	Boston : Houghton-Mifflin.
Canada in Harvest Time	James Lumsden	London : Fisher Unwin.
The Silent Places	Stewart Edward White	Toronto : Morang.
Story of My Work	Rev. W. S. Rainsford, D.D.	Toronto : Morang.
The Story of a Soldier's Life	F.-M. Lord Wolseley, K.C.	Toronto : Book Supply Co.
Life of John Colborne—F.-M. Lord Seaton		
Canada and the Empire : An Examination of Trade Preferences	Edwin S. Montague and Baron Herbert.	London : P. S. King & Son.
The War of 1812	Capt. A. T. Mahan	Series in *Scribner's Magazine.*
Canada's Resources and Possibilities	J. Stephen Jeans	London.
Life of the Marquess of Dufferin and Ava.	Sir Alfred Lyall	London.
Protection in Canada and Australia.	C. H. Chumley	London : P. S. King & Son.
A History of Two Reciprocity Treaties — Canada and the Hawaiian Islands.	Chalfant Robinson	
Problems of Empire. Papers and Addresses.	Hon. T. A. Brassey	London : A. L. Humphreys.
Greater America	Archibald R. Colquhoun	New York : Harper & Bros.
La Guerre de Sept Ans	Richard Waddington	Paris : Firmin-Didot.

The Right Hon. the Earl of Minto, p.c., g.c.m.g.
Retiring Governor-General of Canada, 1904.

THE CANADIAN ANNUAL REVIEW

I.—DOMINION POLITICAL AFFAIRS

Early Political Events of the Year

The question of a possible general election was still agitating the political mind of the Dominion at the beginning of 1904 as it had done for some months preceding that time. It was generally assumed that the Government were not quite certain as to whether they should take the Grand Trunk Pacific Contract to the people for approval without awaiting the expected revision of its terms, or hold another Session, revise the Contract, and perhaps the tariff, and then appeal to the country. On Jan. 6th the St. John *Gazette* voiced the strong belief in Conservative circles that a contest would be called immediately and various constituencies continued the work of nominating candidates; while Mr. R. L. Borden undertook a political tour of the Eastern Townships of Quebec. On Jan. 8th Mr. H. J. Logan, M.P., expressed the belief that the Government would have a majority of twenty from the three Maritime Provinces and strongly urged the claim of Mr. H. R. Emmerson to be the successor of Mr. Blair in the Cabinet—chiefly on the ground that, as Provincial Premier, he had carried New Brunswick by 40 votes to five for the Opposition.

In Toronto, on the same day, Sir William Mulock presided at a meeting of the Reform Association, and made a vigorous appeal for the return of the Government to power should an election take place in the near future. On the following day occurred the formal prorogation of Parliament to Feb. 22nd, and for another week general uncertainty prevailed. Then came the official announcement on Jan. 15th that the Government considered it best that the proposed modifications in the Contract with the Grand Trunk Pacific Railway Company should be submitted to and discussed by Parliament.

On Feb. 11th the Liberals of New Brunswick held a Convention at St. John attended by 300 delegates from every county in the Province, and by representatives of business, agricultural, professional and lumbering interests. The Premier and members of the Provincial Government, the Hon. Mr. Emmerson, and other

politicians, were also present. Senator G. G. King acted as Chairman and Mr. C. J. Milligan as Secretary. After a number of speeches Resolutions were passed approving the policy of Sir Wilfrid Laurier in fiscal, transportation and other matters; endorsing Mr. Emmerson's appointment—which had by this time become a fact—as Minister of Railways and promising him their enthusiastic support in the general elections. On March 1st some 25 prominent Conservatives of Nova Scotia met in Halifax, in private consultation with an evening meeting of over 200 delegates, and formed a Provincial Conservative Association, with Mr. R. L. Borden as Hon. President and Mr. J. F. Stairs of Halifax as President.

At the other end of the Dominion, on Feb. 2nd, the Conservative Association of British Columbia met at Victoria, listened to the Hon. Charles Wilson's reasons for resigning the party leadership to Mr. Richard McBride; elected Mr. Borden Hon. President and Sir Charles Hibbert Tupper President; and passed Resolutions in favour of party organization, endorsing Mr. Premier McBride in Provincial politics and Mr. Borden in Dominion affairs, expressing "unbounded faith" in Mr. Chamberlain, and demanding better financial terms for the Province from Ottawa. On March 24th and 25th the Interior District Liberal Council of the same Province met at Rossland and passed a Resolution of confidence in the Federal Premier and his policy and in Mr. J. A. Macdonald, the Provincial Leader; expressed appreciation of the action of the Dominion Government in removing the duty upon oil imported for use in the concentration of low-grade ores; called attention to the disadvantages under which the lumber industry of British Columbia was suffering while fully recognizing the absolute necessity of settlers in Manitoba and the Territories obtaining lumber at reasonable prices; asked for a reference of the question of freight rates on lumber to the Railway Commission and for an immediate inquiry into the alleged combination of retail dealers; denounced the Provincial Government for its mining tax policy; and demanded a systematic Provincial effort to make British Columbia better known as a ranching and fruit country, to settle the agricultural lands of the Province, and to re-organize the Agent-General's Office in London.

The Last Session of the Ninth Parliament

Parliament met in Session on March 10th and the first business of importance in the House of Commons was the election of a Speaker to succeed the Hon. L. P. Brodeur, whose popular incumbency of the office had been terminated by his appointment as Minister of Inland Revenue. Upon motion of the Prime Minister who referred, in passing, to the dignity and impartiality with which Mr. Brodeur had filled the position, the name of Mr. Napoleon A. Belcourt, K.C., LL.D., of Ottawa was submitted, seconded by Mr. R. L. Borden, the Opposition Leader, and unanimously approved. The new Speaker expressed his hope that the

honour, the dignity and the integrity of the House might continue to be conserved during his term of office.

The Speech from the Throne, as delivered by the Right Hon. Sir H. E. Taschereau, Chief Justice of Canada, who acted as Deputy Governor, included a grateful appreciation of the abundant harvest, the general prosperity, the increasing trade and expanding population of the country during the preceding year. In this connection attention was drawn to the urgent necessity of the proposed Trans-continental Railway for the purposes of carrying Western products to the sea and opening up the northern parts of Ontario and Quebec. Certain amendments, it was stated, had been found necessary in the Contract with the Grand Trunk Pacific Railway Company and these would have to be submitted to Parliament. Meanwhile the sum of $5,000,000 in cash had been deposited with the Bank of Montreal by the Company in accordance with their Contract. A Militia Bill was promised and the necessity of increasing the strength of the North-West Mounted Police Force was indicated.

The Address in reply to His Excellency was moved by Mr. G. D. Grant of North Ontario, and seconded by Mr. A. L. Rivet of Hochelaga—in French and English. Mr. Grant pointed out that the total trade of Canada during 1903 was $43,000,000 more than in 1902 and $244,000,000 over that of 1895—or an increase of 108 per cent. He praised the existing tariff for its revenue-producing qualities and stability and described Mr. Chamberlain's policy as nebulous and the action of the Canadian Government as a waiting one. Mr. Rivet concluded his speech with an adaptation of Lord Tennyson's Imperial Ode, which he believed to cover local conditions:

> Sons be welded each and all
> Into one Imperial whole.
> One with Canada, heart and soul,
> One life, one flag, one fleet, one throne,
> Canadians, hold your own!

Mr. Borden followed with the usual reference to omissions in the Government's announcement of policy; deprecated the assumption of national prosperity being in any way due to the action of the Administration; described as hopeful for the Opposition the result in the recent bye-elections where the total Liberal majorities had been reduced from 5,300 votes to 1,717 and the total Conservative majorities increased from 264 to 1,060; dealt at length with the victory of Dr. J. W. Daniel in St. John and the assumed effect of Mr. Blair's retirement from the Government; declared that the influence of the late Minister of Railways' denunciation of the Grand Trunk Pacific policy was one of the main causes of the hesitation and final decision as to bringing on a general election; quoted from alleged Liberal campaign literature in the West to prove that the Government had a low tariff policy for that part of the country and a protective policy for the East; depre-

cated the apparent unwillingness of the Government to grant autonomy to the Territories and urged the admission of Newfoundland to Confederation; opposed as unnecessary the proposal for increased treaty-making powers and charged a sacrifice of Canadian interests by the Government in the Alaskan affair owing to their having relegated to the Imperial Foreign Office the control of negotiations which had at first been given to them.

The Prime Minister commenced his reply by hinting that if the Opposition could derive pleasure or hope from the Government having won nine bye-elections out of twelve they were very welcome to it. He drew attention to the use in Montreal recently of the name "Protectionist" in place of "Conservative"; defended the appointment of Mr. Blair to the post of Chairman of the Railway Commission on the ground of there not being "a better qualified or more competent man" in Canada; declared that the Government had been influenced by the highest motives in making the appointment which had been done despite Mr. Blair's opposition to their Railway policy; stated that any further negotiations for Reciprocity with the United States must be initiated at Washington; proclaimed the historic and continued advocacy of treaty-making powers for Canada by the Liberal party; deprecated any following of United States policy or practice in fiscal matters and described as dangerous to peace and prosperity the present condition of affairs in that country. Canada would paddle her own canoe and continue a policy of common sense and moderation. After various speeches the Address passed in due course.

The Session which followed was stirring and at times almost dramatic. The chief issues of the period, however, such as the Grand Trunk Pacific, the Dundonald affair, the Tariff and the Budget, the Auditor-General's position, etc., are dealt with elsewhere in detail and only a few of the minor discussions need be more than referred to at this point. One of them was the renewed effort of Mr. E. A. Lancaster of Lincoln and Niagara to amend the Railway Act so as to obtain better protection for life at points where highways and railways crossed each other. On Mar. 24th he moved the second reading of an amendment by which Section 227 would read as follows: "No train shall pass in and through any thickly-peopled portion of any city, town or village at a speed greater than ten miles an hour unless the track is fenced or properly protected in the manner prescribed by this Act, or unless permission is given by some regulation or order of the Board. The Board may limit such speed in any case to any rate which it deems expedient, and wherever in a city, town or incorporated village a railway crosses a highway at rail-level, the said speed of ten miles an hour shall in no event be exceeded, unless the railway company keeps a watchman at such crossing to warn all persons using the highways of approaching trains."

The chief change proposed was in the addition following the word "expedient" and was calculated to meet a recent decision

in the Courts which, he claimed, would be dangerous to persons, or cattle, using the highways under existing conditions. The proposal was further discussed on May 30th and July 20th and the Minister of Justice seemed to think that the Railway Act as a whole provided ample safeguards in this respect. Mr. Lancaster gave various illustrations to the contrary in the way of accidents, deprecated the present difficulty and cost of obtaining regulations from the Board of Railway Commissioners and particularly pressed the claims of farmers for better protection for their cattle. Mr. Fitzpatrick took the ground that adequate protection must be given, but that as highway crossings must vary in their conditions the form of protection would also have to vary and that the kind and degree of such protection should be left, under the Act, to the Railway Commission.

A personal incident of the Session was the renewal by Mr. Walter Scott of his attack upon Mr. E. B. Osler in connection with the Calgary and Edmonton and Qu'Appelle, Long Lake and Saskatchewan Railways. It appeared that in 1890 the latter gentleman had been associated with the financial organization of these roads and that at the present time they were in a very bad condition as transportation agencies and an object of intense dissatisfaction to the people of the region concerned. Mr. Scott on May 6th, stated in the House* that " Mr. Osler and his associates had got towards these roads: in cash guarantees from Parliament $3,200,000; in lands worth at least $9,000,000; in proceeds of bonds, $9,289,653; by the issue of stock, $1,201,000—making a total of $22,684,053, to build roads whose total cost as shown by the records in the Department of Railways and Canals was only $6,283,162." The speaker went on to say that he had made this statement in the House a year before and that his facts had received an absolute, direct denial from Mr. Osler who had declared himself neither a promoter nor charter-holder in these Railways and had asserted that no profit had accrued to him from his placing of the bonds in London.

Mr. Scott then proceeded to apparently prove that Mr. Osler had been a charter-member of the Calgary and Edmonton, asserted that the land grant had not been mortgaged to the bondholders, that the Winnipeg branch of Mr. Osler's firm, or the Calgary and Edmonton Land Company in which he was a Director, had controlled or handled much of the land-grant covering, as a whole, 2,265,929 acres and that in addition to this there was a balance of $1,698,447 still unaccounted for on the original transaction. Mr. T. O. Davis followed and endorsed the views of his Western colleague as to the probable profits of someone in this enterprise and as to the present inefficiency of the two railways. Four days later Mr. Osler, speaking in a personal explanation, denounced these statements in Parliamentary form as falsehoods; declared

* NOTE—*Hansard*, page 2768.

that he had acted in the matter purely as a financial agent receiving a commission; stated that the greater part of the land was sold to the Syndicate which had taken the bonds, while another portion went to the Government as security and another to the Railway contractors. His own commission, or rather his firm's, had been paid in land and afterwards, when times grew bad, he had taken stock in the land company referred to and since then the price of the land acquired by that corporation had undoubtedly risen. He spoke of the high reputation of his Winnipeg partner, Mr. A. M. Nanton, and repudiated with indignation the idea that his management of these railway lands could have resulted in any wrong-doing.

Mr. Scott replied and declared that there was a difference of $2,500,000 between the bond issue and the cost of the road which Mr. Osler had not attempted to explain. He thought his unsupported word insufficient. Others spoke in the ensuing debate and Mr. E. F. Clarke warmly defended Mr. Osler's character and high reputation as a business man, dwelling particularly upon his right to make any fair profit upon an investment in lands which for many years had been almost worthless. The matter was, of course, made a party one and the Toronto *Globe* (May 16th) attacked Mr. Osler as more or less responsible for the financial condition of roads which were rusting and rotting upon the prairies and for the fact that he was now profiting largely from the sale of lands which should belong to these derelict railways. The Conservative papers replied in part with attacks upon the partisan and unreliable nature of Mr. Scott's charges. And there the matter rested.

On July 20th Mr. George Taylor, on behalf of the Opposition, moved a vote of censure upon the Hon. Mr. Fisher's administration of the Department of Agriculture—one generally believed to be amongst the best managed in the Government. The Resolution pointed out that the total expenditure of the Department, for the past fiscal year, upon the Dominion Experimental Farms was, according to the Auditor-General's Report, $103,272, and according to the Minister's Report, $84,128. It went on to express regret at the latter figures as being likely to mislead. After some discussion the motion was lost upon division and its chief result was to bring out some press eulogies of Mr. Fisher's good work in this respect. The Toronto *News*, which at this time was severely criticizing the Minister for his interference with Lord Dundonald, on July 22nd paid him the following tribute as an administrator in his own sphere:

> Mr. Fisher has made an excellent Minister of Agriculture. He has builded upon the foundations laid by his predecessors, as every Minister does, but his work has been admirable in conception and in results. In a general way the country recognizes his competence. The farming community are aware of it by "the jingle of prosperity in their pockets" to quote Sir Wilfrid Laurier. Statistics of our export trade

testify to the judgment and energy of the Minister. From that source abundant evidence can be produced to prove the efficiency of the Department under his direction.

During the Session the Government maintained their large majorities in the House with the exception of one division in the Grand Trunk Pacific debates. In the Senate they also had a reasonable majority as the composition of that one-time Conservative Chamber had been greatly changed by death, or retirement, since 1896. On Mar. 4th there were 41 Liberals and 36 Conservatives in the Upper House with six seats to be filled by Government appointment. After the discussion, in both Houses, of many subjects, as recorded below, Parliament was prorogued on Aug. 10th by H. E. the Earl of Minto, in person, with a Speech from the Throne announcing immediate surveys and construction upon the National Trans-continental Railway; expressing gratification at the popular approval of the tariff changes; announcing a projected line of steamers to Mexico upon the Atlantic and Pacific Coasts; referring to the changes in the Militia Act; and congratulating the country upon a steadily increasing revenue which had justified liberal expenditures upon the improvement of rivers and harbours and the construction of new public works. A farewell Address was presented to Lord and Lady Minto.

The legislation and record of the Session was varied and important although some measures were not carried to completion—notably the Alien Labour Bill of Sir William Mulock. The Liberals were able to point to the triumphant passage of the revised charter for a great railway; to the evident growth in personal strength and popularity of Sir Wilfrid Laurier; to the popular features of the tariff changes and the bounding prosperity of the Budget figures and surplus; to the creation of a Militia Council and the establishment of "Home Rule" in military affairs; to the growth of the great West and an ever-increasing flood of immigration. The Opposition were able to present a presumably popular and certainly able proposal for full Government ownership of the Grand Trunk Pacific; to denounce an expenditure of $77,000,000 as against $40,000,000 under the last Conservative Administration; to criticize an alleged Government effort to get rid of the Auditor-General and to denounce the regretted dismissal of Lord Dundonald; to charge the Militia Department with partisanship and its Minister with the creation of a little machine for running the Force; to represent the Government as having prevented by law the despatch of the Militia for active service on behalf of the Empire without special Parliamentary sanction. They could, undoubtedly, boast with truth of the growth of Mr. Borden in the confidence and esteem of his Parliamentary supporters. The following were the chief subjects discussed during the Session of the House of Commons, together with the date under which the debates may be found in the pages of *Hansard*:

Address, Debate on the .....March 14, 15, 16.
Alien Labour Discussions and Legislation....May 13, 25, June 28, July 29, Aug. 5, 6.
Anti-Cigarette Debates and Legislation .....March 23, June 14, 20.
Appointments and the Independence of Parliament.....April 13, 14.
Auditor-General, Position and Powers of.....June 29.
Bank Act Amendment .....Aug. 2.
Behring Sea Fisheries .....June 1.
Bounties on Crude Petroleum.....Aug. 6.
Budget, Debate upon the .....June 7, 8, 9, 14, 15.
Campaign Literature Discussion .....April 25.
Canada Eastern Railway, Government Purchase of.....Aug. 2, 5.
Canada Temperance Act Amendment .....June 24, 27.
Canadian Associated Press Reports .....Aug. 6.
Commission, The Port Arthur Harbour .....May 31.
Consular Service .....Aug. 6.
Cornwall-Canal Contract .....July 13, Aug. 4.
Criminal Code Amendment (Mr. Lancaster).....March 24.
Dairy Products, Weighing of .....July 21.
Departmental Re-arrangements ..... July 26.
Digby, Mr. A. J. S. Copp and the Town of .....March 18.
Dominion Elections Act .....July 27, Aug. 2.
Dominion Steel Company's Strike at Sydney.....June 16.
Dundonald, Lord, Speech and Dismissal of....June 9, 10, 11, 15, 23, 24, July 18, 20.
Electrical and Power Plants .....July 15.
Empire, Defence of the .....Aug. 2.
Ensign, The Canadian .....June 21, 22.
Experimental Farms, Government .....July 20, 22.
Farewell Address to H. E. Lord Minto .....Aug. 4.
Financial Condition of Canada .....Aug. 3.
Fisheries Act Amendment .....Aug. 2.
Fisheries and the Dog-Fish Pest .....July 19.
Fisheries, Canadian .....July 26.
Fisheries, Government Bounties and the .....June 17.
Fisheries, Regulations for .....Aug. 8.
Fuel Question in Canada .....April 20.
Grain, Inspection of .....Aug. 6.
Grand Trunk Pacific Railway...April 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 26, 27, 28, 29, May 2, 3, 4, 5, 11, 13, 16, 17, 18, 19, 25, 26, June 1, 14, 16, 17, 20, 21, 22, 23, July 13.
Grand Trunk Pacific Arbitration .....Aug. 6.
Grand Trunk Railway, Arbitration with .....July 27.
Grand Trunk Railway Meeting and Speeches.....April 21.
Gregory, Colonel, Resignation of .....July 27.
Guysborough, N.S., Bye-election in .....July 6.
Immigrants, Inspection of .....June 6.
Immigration Discussions .....May 31, July 21, Aug. 5.
Immoral Literature, Importation of .....April 19.
Imperial Unity, Closer .....Aug. 9.
Indians, Condition of .....July 18, Aug. 9.
Inland Revenue Amendment Act .....Aug. 6.
Inspection Act Amendment .....Aug. 1.
Insurance Act Amendment.....April 20, June 2, 8, 15, July 19, 20, 21.
Intercolonial, Annual Administrative Statement of .....July 4, 6, 7.
Jackson, Appointment of Mr. J. B.....April 21, July 28.
Judicial Appointments, Delay in making .....July 29.
King's Shilling as a Legal Tender .....April 28, June 6.
Lemieux, Hon. Mr., in England .....July 19.
Lumber Industry in British Columbia .....May 4.
Masters and Mates of Ships, Certificates to .....June 20.
Midland Water Lots Debate .....March 23.
Militia Act.....March 17, 22, 25, May 10, July 11, 12, Aug. 1, 2, 3, 6, 8.

Militia Appointments and Politics .....June 8.
Mutual Reserve Life Association..April 19, 25, 26, May 19, 20, June 4, 8, 15, 24, 27, July 19, 29, Aug. 1, 3, 4, 6.
Newfoundland Fisheries and the United States .....April 27.
O'Donoghue, Mr. D. J. and Politics .....June 2.
Osler, Mr. E. B. and Western Railways .....May 9, 10.
Ottawa Electric Railway and Monopolies .....June 3.
Pacific Cable .....April 25.
Parliament and Public Documents .....June 29.
Patent Medicines .....Aug. 6.
Petroleum, Production of .....May 31.
Pilotage Act Amendment .....June 2.
Ponton, Case of Colonel .....Aug. 8.
Post Office Act Amendment .....Aug. 1.
Post Office, Administration of .....June 28.
Post Office Amendment Act.....Aug. 6.
Preferential Tariff and Canadian Ports .....June 20.
Preferential Trade and the Hon. Mr. Lemieux.....July 20.
Qu'Appelle, Long Lake and Saskatchewan Railway .....May 2.
Railway Act Amendment .....July 29, Aug. 2, 3.
Railway Act Amendment (Mr. Fitzpatrick).May 30, June 28, July 24, 26.
Railway Act Amendment (Mr. Lancaster) .....March 24, June 20.
Railway Act Amendment (Mr. Lennox) .....May 30, June 13.
Railway Act Amendment (Mr. Maclean) .....March 23, May 30.
Railway Freight Rates in Ontario .....May 11.
Railway Memorandum of Mr. Blair .....April 14, 15.
Railway Subsidies .....Aug. 1, 3, 8.
Railways, Two Cent rate upon .....July 14, 26.
Rebellion Losses Claims .....May 9.
Saskatchewan Valley Land Company .....July 19.
Seed Grain Shortage and Legislation .....May 9.
Seed Growers' Association .....July 21.
Seeds, Inspection and Sale of .....June 16
Steamship Line to France .....June 31.
Steamship Services .....June 13, July 7, July 25.
South African War Pensions .....June 13.
Tariff Commission, Proffered .....Aug. 8.
Tariff on Woollens and Cottons .....April 19.
Telephone Nationalization and Operation .....May 13, July 14.
Trade Relations with United States .....July 28.
Transportation of Perishable Products .....July 29.
Treadgold Concession, The .....July 14, 28.
Trent Canal Construction .....July 15, Aug. 6.
Tobacco Industry and the Tariff .....July 18.
Tobacco Industry and Trusts .....Aug. 4, 5.
Wark, Presentation of Address to Senator .....April 28.
W. T. R. Preston and his Dundonald Letter .....July 6.
Yukon Mining Concessions .....July 27.
Yukon Territory and Regulations .....Aug. 6.

Changes in the Dominion Cabinet

There were some changes in the composition of the Government during the year. It may be noted in passing that there was now no doubt as to who was the real head of the Cabinet. For years past the country had watched the growth of Sir Wilfrid Laurier's influence and his quiet tact in controlling his Government and followers and, at times, had listened to Opposition charges that the Premier was merely an eloquent figure-head. Since the dismissal of Mr. Tarte, however, and the still more

recent retirement of Mr. Blair, it was sufficiently evident that the Premier was the undoubted head of his Government. Courtesy was found to be quite compatible with courage and a "sunny smile" not incompatible with strength of character. Mr. Fielding also gained in reputation during the year as did Sir William Mulock and the new member of the Government, Mr. Brodeur.

Meantime, the Hon. Henry Robert Emmerson, M.P., one-time Premier of New Brunswick, was sworn in on Jan. 15th, 1904, as Minister of Railways and Canals in belated succession to Mr. Blair. On Jan. 4th the Hon. Louis Philippe Brodeur, K.C., had been sworn in as Minister of Inland Revenue after resigning his position as Speaker of the House of Commons. His predecessor, the Hon. M. E. Bernier, had retired to take a place upon the Railway Commission. The Hon. Rodolphe Lemieux, K.C., LL.D., M.P., took the oath of office as Solicitor-General (without a seat in the Cabinet), on Jan. 29th, in succession to the Hon. H. G. Carroll who had accepted a place on the Superior Court of Quebec; and, on Feb. 5th, Mr. Charles Smith Hyman, M.P., of London, became a member of the Cabinet without Portfolio. The press comments were on the whole cordial in their tone. Mr. Emmerson was known as a good speaker with a slightly flowery effect and as having a most genial personality. The only criticism offered was the Conservative contention that he had been originally sent to Parliament to strengthen the Intercolonial and not to weaken it by the competition of a rival and parallel route; and their expressed belief that he could not prove as strong a Provincial leader as had Mr. Blair.

Of Mr. Brodeur, the Conservative *Gazette* of Montreal said on Jan. 16th, that "he has become best known through his holding the Speakership of the House of Commons, a difficult post, the often delicate duties of which he has discharged with an ability and fairness which have won him high and general respect." The Toronto *News* described him as having already developed a notable faculty of performance and as being one of Quebec's strong men; while the Winnipeg *Free Press* of Jan. 16th declared him to be, after the Premier, "admittedly the ablest Canadian of French descent who is in public life." The Vancouver *World* of Feb. 12th stated that he had filled the Speakership with such dignity and general acceptance that it was proposed to make the position a permanency, after the English custom, with the salary of a Cabinet Minister and the retiring allowance of a Judge.

Mr. Hyman was generally congratulated upon his appointment. The Toronto *Globe* of Jan. 20th described him as physically and mentally strong, eulogized his hard-fought battles for the party and his management of the turbulent Railway Committee of the House of Commons. The London *Advertiser* (Feb. 8th) declared him to possess brains, energy and magnetism and there were plenty of Conservative tributes to his genial as well as fighting qualities. The Toronto *News* regarded him as being more of a partisan than

THE HON. RODOLPHE LEMIEUX, K.C., M.P.

Appointed Solicitor-General of Canada, 1904.

THE HON. CHARLES SMITH HYMAN, M.P.

Appointed Minister without Portfolio and Acting Minister of Public Works, 1904.

a publicist, but also as one who had now a rare opportunity for growth. Mr. Lemieux was not so well known as the others, outside of Ottawa and his own Province, but in Quebec his ability as a speaker and his personal popularity had been long recognized although in years still a young man. Various public compliments to the new Ministers followed. On Jan. 22nd, Mr. Emmerson was given a reception and addresses at Bathurst, in his New Brunswick constituency, and on the succeeding day at Moncton. Illuminations and a public meeting were the evening programme at the latter place. A similar compliment was accorded Mr. Hyman by the Liberals of London on Feb. 8th and on Apr. 16th he was banqueted by the Montreal Reform Club. The same organization gave Mr. Brodeur a banquet on Feb. 28th. All the new Ministers, it may be added, were re-elected to Parliament by acclamation.

There were many rumours of other changes in the Cabinet during the year. On Apr. 16th the Montreal *Witness* declared that Sir R. Cartwright would shortly resign and go to the Senate, Mr. Sifton to London in a special position, and Mr. Fisher to England as General Exhibition Commissioner. The rumor was promptly denied. At various times and in more or less categorical style the retirement of Mr. Sutherland on account of ill-health and of Mr. Fitzpatrick in order to make way for Mr. A. B. Aylesworth, K.C., of Toronto were announced in the press and immediately denied. In August, however, it became known publicly that Mr. Aylesworth could have a place in the Government if he desired it and some months later, on the verge of the general elections, he was stated to have accepted a position without Portfolio though he was not sworn in at the time. The comments upon this appointment were marked in the Liberal press by a natural appreciation of the eminent lawyer's attainments and ability and of his attitude in the Alaskan Boundary affair; and in the Conservative press by criticism of his legal connection with the Gamey case combined with unavoidable tributes to his personal capacity.

An important change in the internal and administrative composition of the Government was announced on Apr. 22nd as having occurred on the preceding 7th of February. Under this re-arrangement, which had been promised Mr. Prefontaine upon his appointment in 1902 as Minister of Marine and Fisheries, the hydrographic work of the Departments of Public Works and Railways, the management and control of the St. Lawrence ship channels and general navigation affairs, previously in charge of the Public Works Department, together with control of the Harbour Commissions of the country, were placed under the Department of Marine and Fisheries. These changes, it was stated, put Mr. Prefontaine in control of the greatest spending Department of the Dominion Government.

Mr. R. L. Borden in the Eastern Townships

Meanwhile, the Conservative Leader and party had not been idle. The year opened with a banquet to Mr. Borden at the Halifax Club, attended by many leading Conservatives and presided over by Mr. John F. Stairs. The guest of the evening expressed hopeful views as to the coming election based, he declared, upon the opinions of the most prudent men in the party. On Jan. 11th he commenced at Richmond a tour of the Eastern Townships of Quebec which the Tories had once found to be a stronghold of their opinions, but which in recent years had greatly changed. The local Conservative leader was Mr. Rufus H. Pope, M.P., who, with Mr. J. Israel Tarte and the Hon. M. F. Hackett, accompanied Mr. Borden. The Liberal leader in this district, it may be added, was the Hon. Mr. Fisher, Minister of Agriculture. At this first meeting Mr. Borden laid stress upon the necessity for adequate protection. "Since 1896 Canada had increased her imports of farm products in six articles from $8,750,000 to $14,750,000. From 1896 to the present time, in 20 articles of manufactured goods, the importations had increased from $24,000,000 to $50,000,000. In iron and steel alone the increase during these years had been from a little over $10,000,000 to something more than $41,000,000."

Against this condition of affairs, he protested, and quoted from a Liberal pamphlet circulated in the West which declared that "No matter what individuals may say the two parties stand distinctly divided on the tariff; the Liberals for low tariff, the Conservatives for high tariff." He discussed the Grand Trunk Pacific and his own alternative proposals, including extension of the Intercolonial to the great lakes and assistance to the Grand Trunk to build into the West. Mr. Tarte followed in a strong advocacy of higher protection. At Coaticook, on the succeeding day, Mr. Borden accused Sir Wilfrid Laurier of having practically encouraged the British imposition of the grain war-tax upon Colonial, as well as Foreign food-stuffs, by his speeches in England and of now throwing cold water upon Mr. Chamberlain's proposals. This latter fiscal policy he strongly supported as it could be carried out without interference with Canada's independence in fiscal, legislative, or military affairs. He charged the Premier with having refused Lord Lansdowne's suggestion to settle the Alaskan Boundary matter in conjunction with the abrogation of the Clayton-Bulwer Treaty and thus give Britain and Canada a strong lever in pressing for a satisfactory settlement. Mr. Tarte, in his speech, accused the Minister of Marine of having organized a Tammany Government in Montreal when Mayor of that city. Mr. R. H. Pope and Mr. Hackett also spoke.

A meeting at Magog followed, on the afternoon of Jan. 13th, and in the evening Mr. Borden and his colleagues addressed a large gathering at Sherbrooke. The occasion was politically noteworthy through Mr. F. D. Monk's presence in company with Mr.

Tarte and as a public answer to the innumerable Liberal rumours of personal discord between the two. Mr. Borden's speech was marked by a distinctive note of Imperialism. "I stand for closer relations within the British Empire," he declared, and a little later said: "I am proud that Hon. George E. Foster stood second in England as the champion of the Chamberlain policy." Mr. Monk made a strong protectionist speech and was followed by Messrs. Tarte, Hackett, and Pope. On the succeeding day a Conservative Convention for the Townships was held in Sherbrooke with the Hon. Mr. Hackett presiding and addresses were presented to Mr. Borden and Mr. Monk. In the evening a banquet was tendered Mr. Pope by the Conservative party of the Townships and amongst the speakers were Mr. Borden, Mr. Monk, Mr. T. Chase-Casgrain, M.P., Mr. G. H. St. Pierre, M.L.A., and others. A meeting at Granby followed on the 15th and a large gathering at Farnham on the 16th closed the tour while, on the latter evening, Mr. Tarte and the Hon. P. E. Leblanc, M.L.A., were also addressing a large gathering at Valleyfield. Mr. Tarte, on this latter occasion, denounced Mr. Goldwin Smith, amidst cheers, as "an enemy of Canada who, though born in England, is a Yankee at heart." From Farnham Mr. Borden proceeded to visit Montreal and Toronto.

Mr. F. D. Monk and the Quebec Leadership

During this period the position of Mr. F. D. Monk as Leader of the Dominion Conservatives in the Province of Quebec had been a growing topic of political discussion. Mr. Tarte's active and unceasing efforts in the diffusion of protectionist principles in *La Patrie* and upon the public platform, together with his frequent appearances at Conservative meetings, caused him to bulk largely in the public view as a Conservative and, in the Liberal press, as a rival to Mr. Monk for Provincial leadership. Speaking to the Toronto *Mail* on Jan. 21st, Mr. Borden explained the situation as follows: "Mr. Monk is the recognized leader of the Conservative party in the Province of Quebec, and he is to-day putting up a splendid fight on behalf of the party throughout the whole Province. He stands high in the estimation of the Conservatives of that Province, and has gained materially in strength since he assumed his present duties. He has full control of the Conservative forces in Quebec, and possesses their confidence in an eminent degree. There is no formal alliance between Mr. Tarte and the Conservative party. Mr. Tarte, like the Conservatives, is a protectionist, and it was on account of his protectionist views that he left the Liberal Government at Ottawa."

At this very time, however, the Opposition Leader had in his possession a letter from Mr. Monk, dated Jan. 17th, which proffered his resignation of the position held. Although this fact became pretty well known the letter was not actually made public for another month and during this period it appears that every effort was made to induce a re-consideration of the retirement.

Meanwhile, it was everywhere asserted in the Liberal papers and especially during the bye-elections that Mr. Tarte had crowded Mr. Monk out of the local leadership, that the two men never appeared together on public occasions, and that the latter had refused to join Mr. Borden in his tour of the Townships if the former accompanied him. They did meet, however, at the Sherbrooke banquet and on one or two other occasions. The Toronto *News,* which had very vigorously attacked Mr. Tarte, as a public man, and the Conservative party for accepting his aid after its historic denunciation of his loyalty and personal character, took the ground that he was the sole cause of Mr. Monk's reputed action and resentment. The *Globe* of the same city, on Feb. 1st, paid a high tribute to the retiring leader of the Quebec Conservatives and his "excellent character and admirable manners." It described him as "a very good example of what a member of Parliament ought to be as regards not merely ability but style." On Feb. 20th the resignation was publicly announced and the letter already referred to published. It contained the following paragraph:

> Since 1900 I have done my best to fulfil my duties as chief of our party in this Province, and I have nothing but praise for the courtesies and considerations that have been extended to me by the people of the Province of Quebec; but there are in our party here certain elements which clearly are not in sympathy with me, but which are hostile to me. The task of directing the Opposition at the present hour in Quebec is a very difficult one, the success of which depends on complete unanimity. In the circumstances I have come to the conclusion that it is better for me to accept only the duties of an ordinary member of Parliament, and I ask you, as chief of the Opposition, to assist me in my determination.

On Feb. 29th, Mr. Monk addressed a large meeting at Lachine and more clearly indicated the reasons for his retirement while proving that to some extent the rumours had been true as to himself and Mr. Tarte. He traced the history of the party in Quebec since 1900, including his own work at organization and education, the retirement of Mr. Tarte from the Government and his *rapprochement* with the Opposition, the belief of many Conservatives and some of the leaders that the party could only win by utilizing the services of the ex-Minister, his own disbelief in Mr. Tarte's political influence and reputation for great organizing skill, his strong opposition to having the party identified with that gentleman in any close relationship, the latter's statements in his paper that one leader, Mr. Borden, was enough for the party, his own refusal to appear at a series of meetings arranged by the organizers—Messrs. L. P. Pelletier and M. F. Hackett—for Mr. Tarte.

He concluded by recapitulating various supposed slights offered to himself and by repeating his protest against the action taken in the recent bye-elections wherein the Conservative party was represented as the Protectionist party in name as well as prin-

ciples. Mr. Monk, in conclusion, said: "Need I say that I was not consulted on the change which suppressed the old flag of our party, our mottoes, the glorious traditions of the party, and even the names of Macdonald, Cartier and Chapleau. It was a poor piece of business which lost us many votes." During the ensuing Session of Parliament he occupied the place of a private member of the Commons.

The Dominion Bye-Elections

Meantime, in eight constituencies of the country bye-elections were taking place and, especially in St. John, N.B., and in Quebec, the contests were fought keenly from early in January until election day on Feb. 16th. Nominations took place on Feb. 9th, and in West Queen's, P.E.I., Mr. Angus A. McLean, K.C., was the Conservative candidate and Mr. Horace Haszard the Liberal; in St. John the Hon. H. A. McKeown, K.C., lately Solicitor-General of the Province, upheld the Liberal banner and Dr. John W. Daniel, ex-Mayor, the Conservative cause; in East Bruce, Mr. A. W. Robb was the Liberal and Mr. J. J. Donnelly the Conservative nominee; in East Lambton Mr. J. E. Armstrong was the Conservative candidate and Mr. Charles Jenkins the Liberal; in St. James' Division, Montreal, the candidates were Mr. Honoré Gervais, K.C., Liberal, and Mr. J. G. H. Bergeron, Conservative; in Hochelaga Mr. L. A. Rivet, Liberal, fought Dr. A. A. Bernard, Conservative; in St. Hyacinthe, the candidates were Mr. J. B. Blanchet, Liberal, and Mr. J. de B. Taché, Conservative; in Montmagny they were respectively Mr. Armand Lavergne and Mayor Rosseau of St. Thomas.

The party leaders took a keen interest in these contests. Mr. Borden spoke in the Ontario constituencies as did Mr. E. F. Clarke, M.P., the Hon. W. Paterson and others. Sir Wilfrid Laurier and Mr. Borden both spoke in Montreal, the former on Feb. 6th while in St. John the new Minister of Railways worked hard and the Hon. George E. Foster made a forceful speech upon Chamberlain's policy. Montmagny was the scene of a vigorous fight by Mr. Henri Bourassa for his youthful follower, Mr. Lavergne. This part of the campaign was fought by the Conservatives mainly upon a platform of protection. Mr. Tarte was most prominent in this connection, while Mr. Hugh Graham, through the *Star*, and Mr. Bergeron, the Montreal candidate, were the other chief elements. Dr. Bernard and Mr. Bergeron were styled Protectionist candidates and placards, circulars, and the columns of the *Star* vigorously urged a higher and "adequate" tariff in order to guard Canadian industries, products, and labour.

The issue in West Queen's was chiefly the putting through of the Railway scheme without electoral approval and the alleged mismanagement of the Winter service between the Island and the Mainland. Mr. McKeown in St. John had to face the treble difficulty of Mr. Blair's retirement and denunciation of the Grand Trunk Pacific, the transfer of his paper, *The Telegraph*, to the

other side in the contest, and the influence of the charge that Portland would be the real terminus of the new Railway and not St. John. In his Address to the Electors Dr. Daniel urged a revision of the tariff so as to afford better protection to Canadian industries and labour; favoured the Chamberlain policy which he hoped would eventually include a preference for Canadian grain, meats, dairy products and wood products—especially pulp; favoured the limiting of the present British preference in Canada to goods imported through Canadian ports; supported the policy of British ships only for trade between British ports; deprecated the extravagance of the Dominion Government and endorsed the railway policy of Mr. Borden. In addition to the aid which Mr. McKeown received from the Hon. Mr. Emmerson he also had the cordial support of the Provincial Government. At a Liberal Convention meeting held on Feb. 11th, in St. John, the Hon. Mr. Tweedie and the Hon. Mr. Pugsley urged the election of the local party candidate. A curious incident of this campaign was the correspondence between Mr. J. Douglas Hazen, President of the Conservative Association, and Mr. Thomas McAvity, Chairman of the Liberal Executive, regarding a proposal of the former that ten leading members of each party should sign an agreement to prevent, or aid in punishing, any corrupt act during the contest. The Liberals, while approving the proposal for a pure election, thought the plan suggested impracticable.

On Feb. 16th the polling took place and resulted in a substantial Conservative victory in St. John, where the Hon. Mr. Blair's Liberal majority of 997 was turned into a Conservative majority for Dr. Daniel of 269. In Ontario the East Bruce Conservative majority of 43 in 1900 was increased to 171 for Mr. Donnelly and the East Lambton majority of 221 in 1900 rose to 529 for Mr. Armstrong. In Quebec the four Liberal candidates were all returned. Mr. Bergeron was defeated in Montreal by 678 majority—a slight decrease over 1900 and, in Montmagny, Mr. Lavergne won with a slight increase in majority over 1900. But in Hochelaga the Liberal majority for Mr. Rivet was 298 as against 635 in 1900 and in St. Hyacinthe Mr. Blanchet won by 196 as compared with 1,111 at the general election. There was naturally a good deal of Conservative rejoicing over these figures although the Liberals still had much the best of it in a practical sense. The former contended, however, that a similar scale of reduction in Liberal majorities—from 5,068 in 1900 to about 700 in 1904—at a general election would defeat the Government. Incidentally, the outcome of Mr. Tarte's vigorous protectionist campaign—although effective in two of the constituencies—was not calculated to strengthen him in his alleged rivalry with Mr. Monk, who had largely left the field of effort to him on this occasion. On the other hand the Conservative press was able to point to the result in St. John as a rebuff to Mr. Emmerson.

Following these contests an election took place in Guysborough, N.S., to fill the seat vacated by Mr. D. C. Fraser upon appointment to the Bench. Mr. J. H. Sinclair resigned from the Provincial Legislature to run in the Liberal interests and his opponent was Mr. S. R. Griffin. On Mar. 16th Mr. Sinclair won by a majority of 359 as against a Liberal majority in 1900 of 339. Each side charged the other with corruption during the contest and the Conservatives made elaborate allegations as to stuffing the voters' lists through partisan officials. The subject was discussed at length in the House of Commons on July 6th. Meanwhile, at Montreal on Apr. 30th, a banquet was tendered at the Jacques Cartier Club to the Quebec candidates in the recent bye-elections. Mr. Borden was present and in his speech argued from these results that the Province would give substantial gains to the party in the general elections. The Hon. Mr. Haultain, Premier of the Territories, also spoke as did Messrs. Monk, Chase-Casgrain, Bergeron, L. O. Taillon, Leblanc and others.

Fiscal Discussions throughout the Country

While these varied conditions and political contests were in evidence the tariff was more or less involved as a subject of practically permanent consideration. It cannot be said that the ruling Liberal party was quite united in its view of tariff details although as a whole trusting the Government to develop their own policy in the premises. Mr. Walter Scott, M.P., for instance, represented the Western idea of stability with a hoped-for tendency toward lower duties; Senator W. C. Edwards of Ottawa called for the abolition of protection; while Mr. Hugh Guthrie, M.P., of Guelph demanded a more adequate tariff; and Mr. A. Campbell, M.P., of West York wanted better protection for fruit and market garden products. The Hon. Mr. Sifton would not give up even the most secondary of industries to Mr. Chamberlain though with a tendency in former speeches favourable to a lower general tariff. Mr. H. J. Logan, M.P., told a meeting at Amherst, N.S., on Jan. 20th that he wanted a tariff that would benefit the farmer and the manufacturer, the consumer and the fisherman. At Marieville, on Jan. 30th, the Hon. Mr. Brodeur, the new Minister of Inland Revenue, made a statement which was taken as an indication of coming tariff revision:

> Some changes which have become necessary must be made in our present fiscal system. We may have to raise the tariff in certain cases, and in other cases, we may have to lower it. The Laurier Government will always be ready to consider favourably all legitimate demands in that regard. There can be no question of imperilling any Canadian industry whatever, and all those which by reason of changes that have occurred in our national existence since 1897 require a readjustment of the tariff in order to insure their stability will receive at the hands of the Government all the help which they need, whilst safeguarding, of course, the interests of the large mass of consumers.

Speaking at Sherbrooke, in Quebec, five days earlier, the Hon. Mr. Fisher discussed the fiscal situation at length. He declared

that the Government had taken office in 1896 with the intention of removing tariff restrictions to trade and reducing the burdens of the taxpayer. Since the changes then made by Mr. Fielding the tariff had been stable and the country prosperous. New industries had sprung up and, while depression existed in the United States with its concomitants of lower wages and unemployed artisans, Canadian industries could not get enough men to do their work. Still, changes might occasionally be necessary and when discrepancies, or difficulties, or unfair taxation became obvious the Government would revise the duties. He did not think much of the Conservative cry that large quantities of American products were coming into Canada. Much of this import was, in fact, raw material for our industries. For instance, in 1903, we imported six millions worth of raw cotton, $16,500,000 worth of coal and coke, one and a half millions worth of crude rubber, $3,500,000 worth of food for live stock and dairy cattle, $5,250,000 worth of dried or tropical fruits. He then gave a brief and rather interesting record of the first Liberal tariff revision—the next one would have to wait a while:

In 1897 we undertook a revision of the tariff. In doing that we set before us one object, which was to reduce the burden of taxation on the people. Another object we had in view was to see that the industries of Canada were not destroyed, that no commercial cataclysm should occur, and that the industries, as well as the people who are not engaged in the industries, should all prosper together. In doing that we took off a great many duties; we reduced a good many duties, and then, after we had reduced a number of items individually—items all through the tariff—we deducted a preference for the Mother-Country.

On Feb. 1st, Mr. Fisher spoke at a meeting at Bedford, Quebec., and was preceded by Mr. D. B. Meigs, M.P., with the remark that "I am in favour of a tariff for revenue alone." He declared that a protective tariff made millionaires and kept the people poor. Speaking at Montreal on Feb. 6th the Prime Minister referred to the protectionist advocacy of the Conservative leaders and Mr. Tarte, and declared the present tariff to have brought most marvellous results to the country in progress and prosperity. Trade had increased, remunerative work had increased, manufactures had grown. Under the Fielding tariff Canada had developed from an obscure colony into a world-known nation. Canadian trade was $79.00 per head as against a United States trade of $30.00 per head. Against any idea of adopting the American tariff rates he protested vigorously:

The duty on coal going to the United States is 70 cents a ton; here it is only 53 cents. Is there anyone among you who would prefer paying 70 cents instead of 53? When anyone undertakes to make a tariff he must be first guided by logic and good sense. Coke, which is so indispensable to our industrial establishments, is subject to a duty of 20 per cent. in the United States. Here it enters free. Do you think it would be reasonable to adopt in Canada this American tariff on an article of so great a necessity? On wool in the United States there is a duty of 11

cents a pound ; in Canada there is no duty. On mining machinery the duty is 45 per cent.; here there is none. The duty on paper for newspapers is 35 per cent.; here formerly it was 25 per cent.; and the different proprietors of newspapers, even those from *La Patrie*, complained very much against this high rate. We made an investigation and found that they were right, and so we reduced the duty to 15 per cent.

Laurier

A time would come when revision might be necessary in the best of tariffs, but his Government would only undertake the task in the interest of all classes of the people. Of himself he said: "I am not an apostle of free trade or of protection, but boast of being a practical man." At Westmount (a suburb of Montreal) on Feb. 11th, the Hon. Mr. Fielding endorsed these views of Sir Wilfrid Laurier and declared the entire Government to be a "practical" one. The great West and the agricultural industry had to be considered. "I do not doubt that here and there some particular interest might have benefitted by changes in the tariff from time to time, but I have found in conversation with business men that the idea of tariff stability is regarded by them as of the greatest importance. The policy of avoiding tinkering, of making as few changes as possible, has commended itself to the sense of the country. When our opponents talk of an issue between protection and free trade, they are misrepresenting facts. The issue is a moderate tariff against an excessive tariff. A moderate tariff gives a fair chance to the importer to compete, and the consumer is entitled to that fair competition. An excessive tariff is confessedly designed to exclude outside competition and places the consumer at the mercy of trusts and combines." As an evidence of Western feeling in this respect a long letter was published in the Manitoba *Free Press* (Weekly, May 11th) written by Mr. J. H. Haslam, a Conservative candidate in Manitoba in 1900, declaring himself a supporter of the present Government upon its fiscal and transportation policy.

Nothing could tend to a greater extent to check the movement of immigration into Canada, than any measures that would tend to increase the cost of living, and yet, as far as I can discern the policy of the Conservative party, it proposes to do just this thing, and this in the face of great prosperity in the manufactures of Canada. I believe that nothing would so promote the settlement of the Canadian North-West as free trade with the United States ; but as a Canadian, I know that this policy is impossible ; and the tariff may have to be slightly modified in some cases to allow the continuance of our manufactures in their present state of prosperity ; but to attempt a wholesale increase in duties to keep out American goods would, in my mind, be suicidal from the standpoint of the North-West, although it might temporarily work benefit to Eastern manufactures.

At a banquet of the St. John branch of the Canadian Industrial League on May 20th the Hon. J. W. Longley, Liberal Attorney-General of Nova Scotia, made a strongly protectionist speech. He referred to the people who had feared that a low or revenue tariff would follow the change of Government in 1896. The result had shown this expectation to be baseless. "The tariff

of 1897 recognizes the protective element in almost every single phase. For myself, I have no hesitation in saying that I regard it as a fixed and inexorable feature of our institutions at this present moment that the Canadian tariff should be formed with the object of aiding and encouraging domestic industries." Meantime the Toronto *Globe* maintained its attitude of the previous year as to the benefits of stability in the tariff, the unsettling effects upon business of any general revision, and the special danger of making fiscal changes which might create a depressed condition similar to that now existing in the United States. It endorsed Mr. Fielding's attitude and the views expressed by Mr. Haslam in the West, criticized the detailed demands for protection in the cases of fruit and vegetables and Western lumber dealers as inimical to the interests of the consumers (June 3rd) and declared Mr. Borden's phrase "adequate protection" to be meaningless in policy and, at best, a discarded and indefinite plank from the platform of the late D'Alton McCarthy.

Meantime, during the months of January and February, the Toronto *News* had obtained wide-spread opinions as to the tariff from all classes of public men. The tendency, with some important exceptions, amongst the Liberal politicians who responded, was to express satisfaction with existing conditions and confidence in the Government to revise the duties at the proper time—whether before or after the general elections was immaterial. Amongst the Conservatives, with very few exceptions, the desire for higher duties was clearly indicated—especially against the United States. Western Liberals, including Mayor Walker of Carberry, Mayor King of Dauphin, Mayor Olver of Lethbridge, Mr. Levi Thompson, candidate for Parliament in Qu'Appelle, Mr. A. W. Puttee, M.P., for Winnipeg, Mr. Wm. Sloan, candidate in Comox-Atlin, B.C., Mr. S. L. Head, candidate in Marquette, Mr. D. L. McDonald of Virden and Mr. R. G. Macpherson, M.P., of Vancouver, all wanted lower duties on one or more of the products used by Western consumers. There were some Liberal protectionists on the Pacific Coast, however, notably Ralph Smith, M.P., of Nanaimo, who asked protection for lumber and George Riley, M.P., for Victoria, who preferred protective duties on lead to the existing bounties.

In the East Senator McMullen of Ontario wanted a tariff which would make the dumping of United States goods impossible; while Senator Ellis of New Brunswick demanded the immediate removal of duties on bituminous coal, oil and flour, and reductions which would "relieve the agricultural, fishing, and lumbering industries"; and the Hon. James Young of Galt deprecated any change in a tariff which he thought had achieved most remarkable results. Mr. Bickerdike, M.P., of Montreal asked for a Commission of Inquiry and Mr. R. Forget, who was a few months later elected to Parliament, with a subsequent proclamation of independent support to the Government, described certain rubber, oil-

cloth, cotton and steel companies as barely paying their running expenses and stated that if there was not an immediate protective revision of the tariff, the Government would be swept out of existence. Hon. G. W. Stephens, of Montreal, would have liked higher duties against the United States, Mr. R. F. McWilliams of Peterborough wanted a reduction in duties, Mr. Hugh Blain of Toronto desired a higher duty on raw sugar, Mr. H. B. Schofield of St. John desired a tariff on paper bags and the keeping of pulp-wood in Canada.

Mayor White of Woodstock, Ont., would adopt the United States tariff rates against Canada and Reciprocity within the Empire. Mr. F. B. Carvell of Woodstock, N.B., wanted a 50 per cent. British preference, Senator David of Montreal supported the idea of a Commission of Inquiry, Hon. W. A. Weir of the Quebec Government wanted lower duties and lower taxation, Senator Poirier of Shediac, N.B., hoped for a higher tariff and Mr. George Tanguay, M.L.A., of Quebec desired the duty taken off fat pork. There were very few differences of opinion amongst the Conservatives. Mr. G. M. Annable, candidate in West Assiniboia, desired as low a tariff as possible, and Mr. H. B. Ames, candidate in Montreal, proposed a minimum and maximum tariff rate—the former to adequately protect Canadian industries and the difference between the two to constitute a preference for British countries. Amongst independent expressions of opinion were those of three bankers. Mr. D. R. Wilkie of the Imperial Bank thought that the steel, rail and woollen industries should have more protection; Mr. F. H. Matthewson of the Canadian Bank of Commerce in Montreal, wanted further protection in view of the slaughtering and dumping by United States manufactories; and Mr. D. M. Stewart of the Sovereign Bank considered a higher protective tariff desirable. In Winnipeg, Mr. G. R. Crowe, ex-President of the Board of Trade, suggested delay in revision until Mr. Chamberlain had won or lost his campaign, and Mr. J. H. Brock favoured a fiscal system which would keep the wool and hides, and to some extent the wheat, in Canada for the use of home industries.

Of the Conservative leaders something has already been said in this connection. They fought the bye-elections on a policy of higher duties and Mr. Tarte made a number of high-tariff speeches in the beginning of the year. Concerning the Liberal party policy in this respect Mr. Goldwin Smith wrote with considerable emphasis in the *Weekly Sun* of June 23rd: "No language could be stronger than that in which leading members of the Government, especially Sir Wilfrid Laurier and Sir Richard Cartwright, as candidates for power, upheld free trade and denounced protection not merely as impolitic, but as a great public wrong. They did all that eloquence could do to implant that belief in the minds of the people. Sir Wilfrid Laurier accepted the medal of the Cobden Club. Now, without a word of explanation or apology,

these politicians, having made their way to power, pass over to protection. This, Sir Wilfrid Laurier calls practical. Practical unquestionably it is, and free from any chimerical fancies of fidelity to pledges and respect for the dignity of public life." But it may be fairly added here that the past is past and that this and preceding reviews of public opinion* will show the strength of the general protective feeling and indicate, what is an undoubted fact, that no really low-tariff Government could have lived a month in Canada during the year 1904.

The Canadian Manufacturers' Association and the Tariff

The attitude of this strong industrial organization was frequently expressed during the year as being that of an independent, non-partisan body which desired "a tariff framed from a national standpoint, primarily for Canadian interests and also to build up an increased trade with other parts of the British Empire." Above all, however, such a tariff "must enable Canadian products to meet the competition of foreign labour on fair and equitable terms."† It claimed not to advocate the adoption of the United States tariff although some lines of manufacture in Canada might require as high protection as they received in the Republic. Every Canadian industry—mining, fisheries, agriculture and manufacturing—should receive the same efficient protection against foreign competition.

During the year a number of branches of the Canadian Industrial League were organized under the auspices of Mr. Watson Griffin, an officer of the Association. Its members were pledged to support "by vote and influence the principle of tariff protection for Canadian farming, mining, and manufacturing industries, the development of shipping facilities at Canadian ports and their use in preference to foreign ports, the improvement of Canada's internal and external transportation facilities, and Government regulation of railway rates so that the products of farm and factory may be carried to consumers at home and abroad cheaply and with despatch." At Amherst, N.S., on Jan. 20th, and at St. John, N.B., on Mav 20th branches were inaugurated with banquets attended by many representative men. The key-note of Mr. Griffin's speeches and advocacy was the large import of United States products into Canada and the necessity for provision against future dumping or slaughtering of goods from that great industrial country in the Canadian market.

On Mar. 5th the Canadian Manufacturers' Association held a banquet in Quebec with Mr. George E. Amyot in the chair. Messrs. Fitzpatrick and Prefontaine of the Dominion Government, Mr. Premier Parent of Quebec Province, Mr. F. D. Monk, M.P., and many other prominent politicians or manufacturers were present. The Chairman pointed out that Quebec City produced in 1901 $13,000,000 worth of manufactured goods and gave

* NOTE—See also *Canadian Annual Review*, 1902, pages 25-35; 1903, pages 63-90.

† *Industrial Canada*, the organ of the Association, Jan. 4th, 1904.

employment to 10,000 Canadian workmen. Some eloquent speeches were delivered—notably by Mr. R. J. Younge, Secretary of the Association and the Hon. Mr. Fitzpatrick. The latter thought that Canada had not done badly as a manufacturing country with its industrial export of $20,000,000 in 1903 as compared with $9,000,000 in 1896 and $2,000,000 in 1868. The capital invested in its industries was $446,000,000 in 1901 and $484,000,000 in 1903. Following this, the April number of *Industrial Canada* urged a revision of the tariff in the direction of specific instead of *ad valorem* duties. In the latter case the duties were said to go up and down with the prices in other countries and to be therefore distinctly unstable and ineffective.

Mr. George E. Drummond, the President of the Association, was banqueted by the Montreal members on July 21st in honour of his recent visit to England and prominent participation in the fiscal discussion there. Mr. R. L. Borden, the Hon. L. P. Brodeur and the Hon. R. Prefontaine were amongst the guests. Passing over Mr. Drummond's narrative of his English experiences and work, it was noticeable that he urged strongly the two policies of protection and preference—the one against all comers, the other so adjusted as to give Canada's demand for articles not produced here into the hands of the British manufacturers. As to Canadian interests he was clear. "If we make we are rich, if we do not make we inevitably become poor." In 1903, he declared, the United States took 62 cents' worth of merchandise per head of its people from Canada while the Dominion took $21.46 from the United States. This was not fair and more protection was needed in order to keep up the standard of living in Canada. Following this incident the annual meetings of the Association's branches and of the central body were held. The Manitoba branch met at Winnipeg on July 27th and elected Mr. George F. Bryan Chairman, and Mr. L. C. McIntyre Vice-Chairman. The British Columbia branch met in Vancouver on Aug. 1st, and elected Mr. R. H. Alexander Chairman, and Mr. W. T. Bullen Vice-Chairman. The meeting of the Toronto branch was on Aug. 11th, and Mr. R. A. Donald was chosen Chairman with Mr. W. B. Tindall Vice-Chairman. In Montreal the meeting took place on Aug. 29th, and Mr. J. J. McGill became Chairman with Lieut.-Col. Jeffrey H. Burland as Vice-Chairman.

The annual General Convention of the Association was held in Montreal on Sept. 20th, 21st and 22nd with President Drummond in the chair. The annual address of the President was packed with industrial information and fiscal formulas. After going into various figures connected with the industrial product of $481,053,375 in 1901 as compared with $469,907,886 in 1891, he estimated that the present product exceeded in value by $110,000,000 the value of the combined product of Canadian agriculture, minerals, forests and fisheries. In wages the sum of $24,228,515 was paid out for agricultural work in 1901 as against $113,283,-

146 paid in industrial wages and salaries. He argued that the home market was better than foreign markets and pointed out that in the past year there had been a shrinkage of $15,987,235 in domestic exports and an increase of $18,775,896 in the importation of goods for consumption. This fact explained the liquidation of woollen mills, the 4,000 silent cotton looms and the transformation of shirt manufacturers into shirt importers. Coupled with the fact that dutiable goods imported from the United States in the current fiscal year totalled $77,390,807, or about the value of the Canadian harvest, he concluded that the necessity for a revised and more protective tariff was obvious. He went on to support the Preferential tariff, to advocate the union of Newfoundland and Canada, to oppose Reciprocity with the States, to urge the establishment of a fast Atlantic Line of Steamships, to favour the utilization and improvement of Canadian harbour facilities, to approve the Grand Trunk Pacific Railway project, to urge friendly organization and incorporation of both employers and labourers, to protest against high insurance rates and to favour strong and close relations with the Empire.

The Report of the Tariff Committee, submitted by Mr. W. K. McNaught, expressed regret that no revision of the tariff had been undertaken and declared that industrial methods, conditions, and relations toward the tariff were undergoing constant and rapid changes. "Foreign competition, now national as well as individual, is keener than ever before. Canadian manufacturers continue to suffer, particularly from the unfair and overwhelming competition of the gigantic aggregations of capital which control the specialized industries of the United States." It dealt at some length with the recent Budget changes, proclaimed the continued growth of a national protectionist feeling and proposed a recommendation to members—which with some amendment was approved as follows—to support in the coming elections only those candidates who favoured an "immediate general revision of the tariff upon lines which will more effectually transfer to the workshops of our Dominion the manufacture of many of the goods which we now import from other countries." A Resolution was also passed urging better protection to the Woollen industry. Various other Reports and Resolutions were presented and adopted, the membership was stated to be 1,511, the Labour question was dealt with at length and the need of more mechanics as well as farm hands was specified. The officers were then elected, including Mr. W. K. George of Toronto as President, and Mr. C. C. Ballantine of Montreal as Vice-President. The Provincial Vice-Presidents were as follows: Ontario, Mr. J. O. Thorn; British Columbia, Mr. John Hendry; Quebec, Mr. G. E. Amyot; Manitoba, Mr. E. L. Drewry; Nova Scotia, Mr. D. W. Robb; New Brunswick, Mr. W. S. Fisher; Prince Edward Island, Mr. Bruce Stewart.

The annual banquet of the Association followed and was presided over by Mr. W. K. George. With him, as guests, were a number of distinguished men who spoke during the evening—very largely upon Canada's place in the Empire and not specially upon fiscal or industrial conditions. Sir Wilfrid Laurier, Colonel Sir Howard Vincent, Hon. G. W. Ross, Hon. G. E. Foster, Hon. R. H. McCarthy of Trinidad, Mr. F. D. Monk, Sir W. Lloyd Wise and Mr. F. Hastings Medhurst of London, and the Rev. Dr. Barclay of Montreal, were amongst the speakers. Mr. Ross defined Canada's duty as involving appreciation of its own resources, occupation of its own market with the products of its own factories, defence of its industries against external aggression, and development of its external and foreign trade. He opposed Reciprocity and eulogized the Preference. Mr. Chamberlain's policy was the dominant note of many of the other speeches.

The Woollen Industry and the Tariff

Turning from speeches and opinions to actual conditions it may be said that the state of the Woollen industry during 1904 was very unsatisfactory. How far the condition of affairs was exaggerated in order to obtain tariff amelioration cannot be clearly estimated or ascertained, but there was no doubt as to the depressed state of the industry, the reductions in output and the elimination of profit. The difference in wages between England and Canada and the difference in the cost of wool, dye-stuffs, oils, and other necessaries were said to have been contributory causes to the increasing competition of cheap British woollen goods under the Preferential tariff. Many manufacturers expressed a desire for the old specific duty, while others wanted a general increase to 35 per cent. It was claimed that the additional cost to the consumer under the first proposal could not be much—25 cents, for instance, on a suit of clothes. On Apr. 13th it was announced that the Canada Woollen Mills Co., with plants at Hespeler, Carleton Place, Waterloo and Lambton Mills, and employing 700 hands, would have to be sold or closed. Mr. W. R. Brock, M.P., the President of the concern, stated that the trouble was not due to inferior goods, but simply to the Preferential tariff.

Some of the Liberal press took this action as an attempt to coerce the Minister of Finance into the making of tariff changes favourable to the industry and a circular of the Company's was published and discussed in Parliament which seemed to indicate something of the kind. Mr. Brock, in reply (Apr. 19th), said that two of the mills had been closed six months and that the workmen had gone to the States. Mr. R. A. Pringle pointed out that the protection given woollen goods in Canada was 23⅓ per cent. and in the United States from 60 to 150 per cent. Mr. Blain, of Peel, said that a woollen mill in his county employing 200 men had been compelled to close down. On the other hand it was stated by Liberal members that the mills in St. Hyacinthe were running

full time and exporting to England, while a mill near Ottawa had in 40 years paid for itself ten times over. The woollen mills of Kingsville, Ontario, and at Oxford and Amherst in Nova Scotia were said to be prosperous. Writing from Ottawa to the Boston *Transcript,* on Apr. 25th, Mr. E. W. Thomson said that large quantities of shoddy were coming in from England, that the Canadian fabrics were well made and very durable, but that expensive raw material and labour made the situation difficult. In short, he added, "during the past six months nearly all the woollen cloth mills of Canada have been closed. It appears certain that the industry will be ruined unless the Government comes to the rescue." It was pointed out as against this and other contentions that some mills were undoubtedly prospering and new ones were being started; and that in the United States wool and dye-stuffs were subject to heavy duties while in Canada they were free to the woollen manufacturer.

It was also pointed out that in the Republic, with all its high tariff, $150,000,000 had been lost during the last three years in woollen mill investments and that many mills were now bankrupt or idle. The *Textile World-Record* compared the United States and Canadian conditions by stating that the Dominion, with a population of 5,500,000 and a woollen duty of 23⅓ per cent., imported yearly $13,700,000 worth of woollen goods, or $2.49 per capita; while the Republic with a population of 80,000,000 and a duty of 90 per cent. imported $19,500,000 worth, or 25 cents per capita. In the Toronto *Globe* of Aug. 26th appeared a statement from Montreal by Mr. Jonathan Hodgson, a well-known woollen manufacturer, to the effect that the present tariff afforded ample protection to any properly managed business; that the trouble was in the making of low-grade goods in which the profit was small and competition keen; that the Paton Mills at Sherbrooke, Quebec, and the Almonte Mills in Ontario had prospered and were prospering. A higher tariff, he thought, would bring over-competition in local production and a loss of all profit.

To add to this conflicting volume of testimony the Montreal Excelsior Mills on the same date announced their closing down for a week and the probable curtailment of production after that time owing to the tariff. The Montreal Woollen Mills had closed down a short time before. At Peterborough, on Aug. 29th, Mr. James Kendry, M.P., a Conservative as was Mr. Brock, declared that the Woollen industry had been practically ruined by the Preference and that there were fewer woollen mills in Canada by 50 per cent. than there were 15 years before. It was the mills making cheap goods that suffered the most. In answer to this and other arguments the Winnipeg *Free Press* of Sept. 28th quoted figures as to raw material for these mills, imported or exported in three years of Conservative tariff, as compared with three later years of the Liberal tariff:

	1895-1897.	
Home-grown wool	30,300,000 lbs.	
Less exports	17,119,712 "	
		13,180,288 lbs.
Imported wool		22,446,400 "
Total		35,626,688 "

	1901-1903.	
Home-grown wool	31,800,000 lbs.	
Less exports	5,543,595 "	
		26,256,405 lbs.
Imported wool		26,930,000 "
Total		53,186,405 "

Its conclusion was that in the latter period and under the Preference, the woollen mills had produced 50 per cent. more than in the other period, while they had consumed twice as much Canadian wool.

British Columbia and the Bounties on Lead

In British Columbia the Dominion Government had admitted during the previous year, through their bounties to the lead industries—as they afterwards did in another connection during 1904—that a struggling Canadian industry should be aided against the enormous financial combinations of the United States. But this aid took the form of bounties on production instead of the duties asked for by the local interests concerned. Hence the Conservative contention at the Coast and some comments, not Conservative, that while the bounty system might help a little it did not do enough. On Mar. 30th the Associated Silver-Lead Mine Owners gave to the press a long Resolution and petition to the Dominion Government asking for aid in the development of the low-grade silver-lead mines. Under the existing Bounty Act the mine owners were entitled to a subsidy of $15.00 a ton on lead produced and smelted in Canada provided production did not exceed 33,333 tons per annum. If the output exceeded that total the bounty would be proportionately less.

Complications had since developed which, it was claimed, made a bounty on exported ore desirable. The Government were therefore requested "to extend the benefits of the Bounty Act to a limited amount of ore to be exported and smelted abroad—provided that such extension shall not prejudice the payment of the full bounty on ores smelted in Canada during the period of such proposed extension of bounty; that the maximum freight and treatment rate shall not exceed $15 per ton as per scale now in force; that the marketing charge shall not exceed $20 per 2,000 pounds of lead, as at present; and that the limit on zinc shall not decrease from ten per cent. and the penalty on the excess shall not exceed 50 cents per unit."

The Memorial embodying these statements was endorsed not only by the mine owners, but by the Smelters' Association, the Nelson Board of Trade and the Rossland Board of Trade. To

sum up the situation, as claimed, and apart from questions of the relative benefit of bounties or duties, all the ore produced could not be smelted in the country and therefore the miners, who could not get their product smelted, naturally desired to share in the bounty by exporting the ore under an extension of the present system. Otherwise they would have to close down. It will be of interest in this connection to give the following table showing the growth of the bounty system in Canada:

	Pig Iron.	Puddled Iron Bars.	Steel.	Lead.	Binder Twine.
1895.....	$ 63,383 95	.....	.....	.....	.....
1896.....	104,105 01	$ 5,611 00	$ 54,498 52	.....	.....
1897.....	66,508 69	3,018 82	17,366 16	.....	.....
1898.....	165,654 25	7,705 78	67,454 03	.....	.....
1899.....	187,954 35	17,511 02	74,644 28	.....	.....
1900.....	238,296 14	10,121 10	64,360 29	.....	.....
1901.....	351,259 07	16,703 09	100,057 74	.....	.....
1902.....	693,108 37	20,549 52	77,431 49	.....	.....
1903.....	619,948 72	6,702 14	775,153 92	$ 4,380 00	.....
1904.....	533,982 15	11,668 99	337,481 04	109,973 12	$25,452 04
	$3,024,200 70	$99,591 46	$1,568,447 47	$114,353 12	$25,452 04

The Western Lumber Situation and the Tariff

One of the most complicated minor issues of the year was the Lumber question in the West. Unequalled timber resources in British Columbia; large and increasing demand for lumber for building purposes in Manitoba and the Territories; high prices and comparatively small sales of Provincial lumber in this natural market owing, in part, to heavy freight rates; large sales in the latter region of United States lumber and even in British Columbia itself; the Provincial lumbermen asking for duties in order to protect them from this foreign competition in what should be their own market; earnest appeals from Western settlers for cheaper and more plentiful supplies of the product; Railway and popular complaints against the lumbermen for constituting an alleged combine—such was the position of affairs at the beginning of the year. It was a difficult situation for politicians who had to try and protect both the consumer and the mill-owner with an election also looming on the horizon.

The people of British Columbia, through a part of the press and some of the politicians, claimed that the Province had to pay protective prices for the goods imported from Eastern Canada, Manitoba and the Territories; that their manufacturers were therefore entitled to share in the general protection accorded Canadian industries; that the thousands of men employed in logging camps, in saw and shingle mills, in steamboats, and in other subsidiary industries consumed large quantities of the beef, flour, butter, hay, oats and other products of the Western farmer; that as the farmers had protection on these very products from their United States rivals they should not object to the British Columbia lumberman's claim for defensive duties; that at present the Canadian

lumberman had to pay $2.00 a thousand feet on lumber shipped to the United States while American lumber came in free; that all he wanted was equality of condition in his own market with the foreign producer; that the great industry in British Columbia was now being sacrificed in order that the greatest industry in Manitoba and the Territories might be superficially benefited; that the United States lumbermen were sacrificing their product in Western Canada because freight rates prevented their getting profitably into the Eastern part of their own country and their demand abroad was unsatisfactory; that the competition was in the lower grades of lumber amounting to about 80 per cent. of the product of British Columbia and that it was impossible to continue business where 20 per cent. of their product only could be marketed. On the other hand it was claimed that a lumber combine existed to keep prices up; that the Western farmer could not get enough or afford to pay the prices asked by the British Columbia lumbermen; that in the Province itself building was restricted owing to these high prices; and that the reason for desiring a duty was simply the establishment of a large monopoly. Some of these and other considerations induced the British Columbia Legislature, on Feb. 10th, to pass unanimously a Resolution which obtained general Provincial approval:

That this House views with alarm the serious consequences that must result to the Lumber interests of British Columbia, and is of opinion that an humble Address be presented to His Honour the Lieutenant-Governor respectfully asking him to communicate with the Dominion Government to the end that such legislation be passed as will relieve the great injustice under which the British Columbia Lumber interests are suffering and praying that a duty be put upon American lumber entering Canada equal, at least, to that imposed upon Canadian lumber entering the United States.

About this time a private meeting of lumbermen representing the wholesale, retail and logging interests of the West was held in Winnipeg. Its proceedings were kept secret but were the source of much newspaper protest as affording proof of the existence of the alleged combine. According to a statement by Mr. F. W. Peters of the Canadian Pacific Railway in the Victoria *Colonist* of Feb. 27th the lumbermen had asked for a reduction in freight rates, but were refused on the ground of British Columbia's taxation of railways* and the cost of haulage by cars which had to cross the mountains empty one way. Meanwhile, Mr. William Whyte, 2nd Vice-President of the Canadian Pacific, had been taking strong ground against the Lumber interests on the basis of a belief that the combine existed in fact, if not in name, and must be seriously dealt with. If, he declared, the lumbermen did not lower rates the Canadian Pacific Railway would erect large saw mills and go into the business itself. In a published interview on Jan. 8th he had made the statement that " the owners of saw mills,

* NOTE—The Premier in reply to this stated that the taxation upon the Canadian Pacific Railway in 1903 was only $12,400 upon a property valuation in the Province of probably $35,000,000.

and retail dealers in lumber are endeavouring to maintain high prices for lumber and to surround the retail business with restrictions which tend to influence the market," and that while " it may be possible that there is no combine among the mill-owners," yet " there is certainly an arrangement with the Retail Dealers' Association under which that Association dictates as to the location and number of retail lumber yards, and thus practically controls the market and dictates the selling price."

The Retail Lumbermen's Association replied to these statements through a long interview with Mr. D. E. Sprague in the *Free Press* of the following day. He admitted that the lumbermen were in sympathy with the retailers, but it was mainly along the line of preventing unfair competition and bringing about lower freight rates—in which latter respect the Canadian Pacific Railway was their chief opponent as well as critic. He gave elaborate figures regarding the profit and return to the manufacturer, the railway, and the retailer upon a car of lumber; all tending to prove that the prices were comparatively low to the consumer and the profits small to the others concerned. The annual meeting of a Territorial branch of this Retail Association was held at Calgary on Mar. 15th and reference was made to a recent reduction in railway rates on the low grades of cedar, shipped from the Coast as far east as Moose-Jaw. Large stocks of lumber were reported to be on hand in the mills and it was decided that if the Canadian Pacific Railway would grant a 2 cent rate per 100 pounds the lumbermen would reduce the price by $1.00 per thousand feet. On Mar. 24th, ensuing, the Interior District Liberal Association of British Columbia, meeting at Rossland, passed the Resolution which follows:

> This Council desires to direct the attention of the Dominion Government to the condition of the Lumber industry in the interior of British Columbia. We fully appreciate the importance, in fact the absolute necessity, of providing the settlers of Manitoba and the North-West Territories with lumber at reasonable rates. At the same time we must impress upon the Government the disadvantages under which this industry suffers to-day, owing, we believe, to a combination of circumstances which demand careful consideration. Excessive freight rates and a combine among the retailers are, we believe, the chief causes of complaint. We therefore recommend that the question of freight rates be at once referred to the Railway Commission; and that the Minister of Trade and Commerce cause immediate inquiry to be made into the alleged existence of a combination among the retailers. The situation is grave and prompt relief is imperative.

The annual meeting of the Western Retail Lumbermen's Association was held at Winnipeg on the same day as the above gathering in British Columbia and an address submitted by President J. T. Campbell of Melita. After claiming that the Association was simply intended to aid the members in the legitimate conduct of their business and stating that the percentage of profit was exceedingly small, he proceeded to declare that though lumber

had increased in price to the consumer the profits of the retailer had not risen; that the values of land and wheat and horses had also increased throughout the West; that some men in the Association had tried to make it a combine but had failed to do so and were now engaged in vilifying it. The Secretary in his Report stated that recent announcements as to Canadian Pacific Railway reductions in the rate on lumber were misleading. "Hitherto the shipments from the Coast were subject to a tariff of 40c per 100 lbs. upon fir lumber, and upon cedar and other lumber 50c per 100 lbs. The tariff has now changed upon cedar and other lumber to 40c per 100 lbs. upon dimension and lower grades up to that of ship-lap being the same rate as that of fir, but upon grades of cedar and other lumber, better than ship-lap grade, the former rate of 50c per 100 lbs. continues in force." He made explanations of this step which seemed to prove that the reduction was not very substantial; criticized the alleged freight rates, and transportation delays, and inadequate accommodation of the railways; estimated the present season's manufacture of spruce lumber at 115,000,000 feet and that at the close of the season there would be over 200,000,000 feet in Western mills or retailers' yards. The supply for the settlers would therefore be abundant.

In the Winnipeg *Telegram* of Apr. 5th Mr. William Whyte stated that as a result of his intimation that the Canadian Pacific Railway might otherwise have to go into the milling business itself, and of subsequent discussions with the saw-mill owners of British Columbia, the Combine was now dead. "For the future lumber will be sold in an open market the same as any other commodity required in the development of the West." He then turned his attention to the Retailers and declared that they were buying American lumber at a price laid down of from $2.00 to $5.00 less than the British Columbia lumber cost. A deputation from their Association had informed him personally to this effect. This was sold to the consumer at the same price as the Canadian lumber. He then explained the C. P. R. Company's arrangement with the British Columbia mill-owners as follows:

> On lumber shipments from the Pacific Coast we could not make any reductions in our tariff rates, as they are now on an exceedingly low basis, but in consideration that the manufacturers will sell their common lumber, other than fir, such as spruce, hemlock and cedar, at a price no higher than fir lumber, we have agreed to haul such lumber at the fir rate to points in the North-West Territories. The latter rate, you understand, is ten cents lower than the regular lumber rates that were first established from the Pacific Coast to the East by all trans-continental lines.

Mr. Whyte proceeded to point out that the Railway's interest was to encourage settlement and remedy grievances and that they intended to keep close watch on the lumber situation and the question of supply and demand, of prices and rates. The press seemed to consider that this step settled the matter of combine prices or supply. On Apr. 22nd Mr. Whyte met at Vancouver

representatives of the Lumber and Shingle Manufacturers' Association and explained that owing to the competitive rate understanding between railways in Manitoba it was impossible to make recent reductions on cedar apply to that Province. On May 3rd the Vancouver Board of Trade discussed the local situation. Mr. E. H. Heaps stated that about 10,000,000 feet of lumber per month was entering the North-West from the United States and that the preservation of this trade would keep the mills of British Columbia running night and day. Mr. J. G. Scott pointed out that the one-time Canadian duty on lumber and shingles had been taken off to meet similar American action. Now that the United States had restored their duty Canada should do the same. Mr. C. M. Beecher declared that owing to their immense market and facilities the Puget Sound lumbermen could manufacture 25 per cent. cheaper than the Canadian, while they had in addition a protective duty on rough lumber. Mr. J. W. Hackett said that Provincial mill supplies cost much more owing to the duties imposed in the protection of other Canadian industries.

Other leading mill-owners spoke and then a Resolution was passed asking for a duty on United States lumber similar to that now imposed on Canadian lumber. A telegram was also sent to Boards of Trade throughout the Province and at Toronto and Montreal asking their co-operation in order " to prevent the closing of our lumber mills and consequent stagnation affecting the general business of British Columbia." On the following day the Lumber and Shingle Manufacturers joined in the issue of an appeal to the " People of British Columbia " in which they charged the Pacific Coast mills of the United States with over-production and dumping their products into Canada below cost and then proceeded to deal with the situation as follows:

The United States now collects a duty of 30 cents per M. on Canadian shingles and $2 per M. on rough lumber, but the Washington lumbermen have convinced the local customs collectors that under the provisions of the Dingley tariff they must impose an additional duty of $5.50 per M. on British Columbia lumber, which they are collecting. They have also made strong representations to their own Government asking for an increase of the duty on shingles to $1 per M. This affects every individual in British Columbia—the wage-earners, merchants, and the manufacturers directly, and indirectly the people throughout Canada, British Columbia being a large purchaser of supplies and the necessaries of life from the other Provinces. The lumbermen of British Columbia have appealed to the Dominion Government year after year without effect, as they have foreseen the inevitable flooding of our markets whenever an industrial depression prevailed in the United States.

With this came the partial closing down of the great Hastings' Mill and the declaration of the Liberal *World* of Vancouver, on May 13th, that the Canadian tariff must be made equal in this respect to that of the United States and that every important interest in the city was vitally affected and concerned in this condition of the Lumber industry. The action of the Vancouver

Board of Trade was speedily endorsed by those of New Westminster and Victoria and, on June 4th, a deputation from these and other bodies including Messrs. J. Hendry, W. C. Wells, J. G. Scott, Mayor McGuigan of Vancouver, Mayor Keary of New Westminster, and other well-known local men, waited on the Premier at Ottawa, explained the situation and asked for a duty of $2.00 per 1,000 ft. on rough lumber and 30 cents a thousand on shingles. Consideration was promised. Two days later the Hon. D. W. Higgins, President of the British Columbia Loggers' Association, announced that very shortly all the logging camps in the Province would be shut down indefinitely throwing over 4,000 men out of employment.

On July 8th the Loggers' Association published, in a largely circulated and signed petition to the Dominion Government, the reason for this proposed action and for their demand that an effort be made to obtain for them a free market in the United States. Owing to the low price of the rougher grade of logs, the limited local market on the Coast, the competition of the larger mills in the Kootenays, and the lack of demand for common lumber, there were now millions of feet of cedar logs lying near Vancouver and practically unsaleable. The mills would not buy the rougher logs of the Coast and they therefore urged the Government to obtain a chance for them to sell these logs in the States. The authorities at Ottawa were in the position consequently of being asked on one hand to get the removal of the United States duty and on the other to impose a Canadian duty. Growing, no doubt, out of all these changing conditions the Manitoba incorporation was announced on July 16th, with a capital of $1,000,000, of nearly all the large lumber companies—numbering 26 in all—of British Columbia, Manitoba and the Territories into one concern called the Manufacturers' Lumber Company, Limited.

The Budget and Mr. Fielding's Tariff Changes

Amidst all these discussions the Finance Minister had, meanwhile, delivered his Budget speech on June 7th. In it he announced certain fiscal changes which, while important in themselves, did not involve any general tariff revision. He first pointed out that the condition of business in Canada, with its moderate duties, was better than that in the United States with its very high duties At the same time there was much in the outlook which demanded serious consideration although both the present business conditions and the crop prospects appeared to be good. "There is an opinion in the minds of our manufacturing people that the signs of depression which have already appeared across the border will continue and that there may be a period of severe depression in that country the effects of which would be bound to cross the border in the shape of an increased and perhaps an illegitimate competition. We are not at liberty to ignore considerations of that kind. In the fixing of our own fiscal policy we are bound to take note of these things." The past

year had shown great and substantial progress and the following figures are compiled from one of the tables which he adduced:

	1873	1883	1893	1903
Total Trade	$217,801,203	$230,339,826	$247,638,620	$467,064,685
Total Imports	128,011,281	132,254,022	129,074,268	241,214,961
Total Exports	89,789,922	98,085,804	118,564,352	225,849,656
Railway Traffic (tons carried)	13,266,000	13,266,255	22,003,599	47,373,417
Deposits in P. O. and Government Savings Banks	$ 6,121,490	$ 26,219,107	$ 41,849,656	$ 60,771,129
Deposits in Chartered Banks	57,509,823	98,308,436	170,817,433	378,937,458
Discounts	124,519,008	178,728,321	225,999,798	406,184,733

He argued from the greater proportionate progress of recent years that the tariff policy of the Government as a whole was satisfactory and successful. After pointing to the great resources and development of the West; the steady increase in immigration; the effect of the German surtax, or retaliatory fiscal legislation on Canada, in decreasing imports from Germany by $3,281,000 in the ten months ending Apr. 30th and encouraging the importation of raw sugar from the British West Indies; he went on to declare that the tariff since its revision seven years before "had proved a good revenue tariff" and had "included a considerable measure of incidental protection." Passing on, he defended the Preferential tariff and the attitude of the Government toward Mr. Chamberlain's proposals and then announced that before the details of the present tariff were changed or revised in any general manner there would probably be a Government Commission of Inquiry similar to that which preceded the Revision of 1897. Mr. Fielding then indicated an important future re-arrangement in the form of the tariff: "We have to-day, practically, a maximum and a minimum tariff, if I may so describe it, and then we have the British preference below that again. It would be well that in the revision that may take place we should adopt that principle as it now exists and deal with it more in detail." The Minister also dealt with the Woollen industry and hinted at bad management in some cases and poor equipment in others; while pointing out that the trouble was not in the higher grade of goods at all. In the claim for further protection against cheap, shoddy goods he thought, however, there was some reason. His proposed fiscal changes followed in a voluminous detail which may be summarized here as briefly as possible:

1. A minimum tariff of 30 per cent. instead of 23⅓ per cent. on such woollens as cloths, tweed, overcoatings and wearing apparel coming in under the Preferential tariff.

2. A minimum tariff of 20 per cent. ad-valorem, on twine and cordage instead of 25 per cent. subject to the Preferential deduction.

3. A reduction to 15 per cent. of the duty on china, porcelain, and other valuable table ware as against the present 30 per cent. subject to one-third off under the Preference. This would increase the Preference to one-half.

4. Reduction of duty on window glass to 7½ per cent. when imported from Great Britain as against 20 per cent. and one-third off at present.

5. Pails and wooden tubs to be dutiable at 25 instead of 20 per cent., a change in the classification of buggies and the exclusion of stallions and mares of less value than $50 each.

6. A change in the duties on glass panes for mirrors so as to aid the local manufacturer in his import of raw material.

7. An effort to reduce the duty on oil so as to benefit the consumer without injuring the oil industry, the latter consisting, according to the Minister's explanation, of two interests, the producer and the refiner. In view of the fact that production of crude oil was decreasing and the refineries working only a part of the time while the consumers were suffering somewhat in price, he had decided to allow a bounty of 1½ per cent. per gallon to the producers of crude oil, and to reduce the present duty on coal oil from 5 to 2½ cents per gallon.

8. In addition to the above, fuel oil would be placed on the free list; paraffin wax candles and paraffin wax would be reduced by 5 per cent. ad-valorem; illuminating oils of the highest grades would be reduced from 25 per cent. to 20 per cent. ad-valorem; crude petroleum of the highest character would be reduced from a duty of 2½ cents per gallon to 1½ cents; while petroleum in the cruder forms and gas oils would be placed on the free list.

9. The duty on molasses would be abolished when coming from countries entitled to the Preference—notably the British West Indies.

10. A number of minor articles were to be placed on the free list—some by urgent request of manufacturers as raw material in one form or another, and some to aid consumers, farmers as a class, etc. Amongst them were goats, whale soap, whale-oil, palin basic photographic paper, hydro-fluo-silicic acid, ferment cultures for butter-making, printing presses not made in Canada, machinery (not made in Canada) for the manufacturer of linen, and for certain classes of brass goods, artificial teeth, quassia juice used in spraying, and well-drilling machinery of a class not made in Canada.

11. A special rate of 10 per cent. for silk fabrics when imported by manufacturers of men's neckwear for use in their factories.

12. An elaborate and special enactment regarding the dumping or slaughtering of goods from foreign countries—notably the United States—in the Canadian market. "We propose to impose a special duty upon dumped goods. That special duty will be the difference between the price at which the goods are sold, the sacrifice price, and the fair market price of those goods as established under the Customs law of the country. If an article is sold at a lower price in Canada than in the country of production there will be the evidence of dumping." In products protected by bounties the duty was to be the difference between the fair price and the dumping price provided it did not exceed 15 per cent. ad-valorem.

The Budget and the Tariff Discussed in Parliament

At the conclusion of the Budget speech Mr. A. C. Bell followed on behalf of the Opposition. He complained that the protection given the Woollen industry was insufficient and referred to the high and protective tariff of the United States in this connection. The growing trade of the country was not due to the Government's policy, but to the greatly increasing price of products since 1896—cheese 2·04 cents per pound, wheat 16 cents a bushel, bacon 3·01 cents per pound, boards, planks, etc., $4.16 per 1,000 feet, butter 2·05 cents per pound. He illustrated his contention further by describing the increased trade of other countries and their prosperity as greater than Canada's. Sir Richard Cartwright, in replying, declared that there was really

a depression in England, in the United States, in Australia and in Germany and contended that the tariff had, therefore, contributed to the exceptional condition of Canada though he did not believe that this prosperity could continue long unbroken. There were four tests by which to judge the progress of a country like this—the growth of population and occupation of new areas, the expansion of trade, the growth of revenue and the condition of the farmers. In all these Canada indicated great development. Under the Conservative fiscal system of 1890-96 the total imports had been $834,000,000 and the exports $779,000,000; under the Liberal policy of 1897-1903 the total imports had been $1,230,000,000 and the exports $1,286,000,000.

In following the Minister Mr. E. D. Smith urged the importance of more protection for the farmer. The manufacturers had an average of 28 per cent. protection on their products and the farmer only 18 per cent. In 1903 there were imported from the United States, under rates running from 25 to 12 per cent., $5,756,000 worth of butter, cheese, meats, grains, fruits, etc., grown by the Canadian farmer. On June 14th Mr. R. L. Borden drew attention, by elaborate tables, to the fact that imports from the United States between 1896 and 1903 had grown much faster than from Great Britain. In animals the increase from the United States was $1,400,000, and in breadstuffs the same, while very trifling from Britain. In iron and steel manufactures the figures showed $11,642,000 of an increase from the United States and only $4,660,000 from Great Britain. On the other hand woollen imports from Great Britain increased by $4,164,000 and from the United States $364,000. During the fiscal year 1903, he pointed out, Canada imported breadstuffs to the value of $11,000,000, provisions and vegetables $2,572,000, woollen and cotton goods $24,000,000, iron and steel manufactures $42,000,000, and other products, to a total of $92,000,000. Since 1896 the imports of seven specified manufactured goods, which the tariff should have aided the Canadian people to produce, had increased by $52,000,000. Mr. Borden concluded by moving that:

No readjustment of the tariff can be regarded as satisfactory which does not provide such protection to our labour, agricultural products, manufactures and industries as will secure the Canadian market for the Canadian people; that at the present Session there should be a thorough adjustment of the tariff based on a declared and stable policy of adequate protection.

The Prime Minister, in his reply, declared with buoyant air and language that: "Under the Fielding tariff, Canada has developed as no country has developed during the same period. Our languishing industries have been revived; new industries have sprung into life; agriculture, long depressed and sore tried, has flourished; trade has more than doubled in volume; the revenue has become unprecedentedly buoyant; hope, confidence, national pride, have risen high in the hearts of Canadians. The

name of Canada, up to that moment scarcely known beyond her borders, has since become a synonym for national progress and an object of attention from the whole civilized world." He accused the Opposition Leader of desiring to inflict the high United States tariff upon Canada and as proof quoted the Montreal *Star*. At the same time he described and freely denounced the multitudinous and oppressive trusts and combines of the great Republic. The present was not a regular revision of the tariff. That would only come after careful inquiry into the industrial condition of the country. Mr. Andrew Broder followed and accused the Government of neglecting the farmers. The Dominion authorities in 1902 had only spent $322,360 upon agricultural encouragement and education while the seven Provincial Governments had expended a total of $646,678. Other speakers on the Conservative side denounced the Budget proposal regarding crude oil, etc., as handing the country over to the Standard Oil monopoly and to this charge the Hon. Mr. Brodeur replied at length. On the following day the House divided on Mr. Borden's motion—52 for and 110 against. In due course Mr. Fielding's proposals were put into legislative form and passed through Parliament.

Public Discussion of the Tariff Changes

The Conservative view of the tariff changes was that the woollen duties were improved but insufficient and that it was probable the British manufacturers in this connection would maintain their hold on the market; that the effect of the cut in coal oil duties and admission of crude petroleum free would seriously injure the oil business in Canada and make the Standard Oil Co. master of the situation; that the carriage manufacturers were in luck and did not need higher protection so much as some other interests; that, incidentally, the Budget indicated the imminence of the general elections and gave Mr. Sifton a cry of lower duties for the farmers of the West, while meeting immediate demands for further protection in the East. Some of the woollen men expressed satisfaction with the Budget; others were obviously dissatisfied. As to the dumping clause the iron and steel men were unanimous in saying that it all turned upon administration and enforcement and there were a number of suggestions in the press as to the appointment of skilled appraisers. The view of the manufacturers, as expressed in their organ, *Industrial Canada,* was that it would have been better to legislate with a view to having something to give in tariff reduction when Mr. Chamberlain won in England rather than to adopt the principle of a protective margin so narrow that in order to obtain a preference for the Canadian farmer various Canadian industries might have to be sacrificed.

Upon the whole, however, the Budget was approved as indicating both business sanity and political sagacity. It strengthened the Government with special interests, made the ordinary manufacturer more ready to accept their claim of good intentions in

fiscal matters, indicated judgment in the reading of public opinion and appreciation of changing conditions. While unsatisfactory to the oil producers of the Petrolea district it was eminently the reverse to the refiners of Lambton and while the general increase pleased the East the reductions pleased the West. On the verge of an election these considerations were important. In the House of Commons, on June 28th, Mr. Fielding announced a number of changes calculated to save importers and business interests from loss in the early application of the fiscal proposals. In many cases the operation of the tariff clause was to be postponed until Aug. 31st. On the following day the Canadian Manufacturers' Association issued a circular statement expressing pleasure at the increases in the tariff but disapproval of the plan of "increasing the protection by decreasing the preference." The Association did not believe that the dumping clause would be sufficient and declared increased duties the only effectual remedy in the cases for which its application was intended. A large and competent staff of experts would, at all events, be required to operate it.

On Aug. 27th an Order-in-Council was passed bringing into force a duty of $7.00 a ton on steel rails and bars for use on Canadian railways as a consequence of legislation in 1903 and of the recent evidence of experts appointed by the Government to investigate the working and capacity of the mills at the Sault. The duty was subject to the Preferential reduction of 33⅓ per cent. A notable comment upon this action came from Sir Thomas Shaughnessy who said two days later: "I am in favour of protecting the manufacturers of steel rails even should it cost the railways a reasonable amount more for their supplies. But we should be sure that the Canadian mills can fill contracts on time and produce rails of necessary standard quality." In discussing this action on Aug. 31st the New York *Evening Post* came to the conclusion that it would not cut out United States rails which had recently been selling to Canadian roads at $19 a ton as against the normal home-selling rate in the Republic of $25 to $28 a ton. As to the actual working of the dumping clause the Winnipeg *Free Press* of June 15th had an excellent illustration in detail which may be given here:

A United States machine, sold in the home market for $100, is sacrificed in Canada for $80. Assuming that the duty upon it is 30 per cent., the machine laid down in Canada would cost under the old arrangement:

Special price fixed by seller	$ 80
Duty, 30 per cent. on home price ($100)	30
Total	$110

Had the machine been sold at its regular price, $100, it would cost $130 in Canada. The sacrifice is therefore $20. Under the new law this special cut in price becomes a special duty up to 50 per cent. of the regular duty. Thus under the tariff as it now is the machine laid down in Canada would cost:

Special price fixed by seller	$ 80
Duty, 30 per cent. on home price ($100)	30
Spcial duty, 50 per cent. of regular duty	15
Total	$125

—or only $5 less than it would have been had the United States manufacturer sold the machine at the regular price.

Meantime, the Customs Department had been working at the regulations proposed for use in this connection and they were promulgated in lengthy and elaborate detail on Aug. 25th.

The Tobacco Industry and the Tariff

One of the subjects of fiscal interest largely discussed in Parliament during the Session was that of Tobacco manufacture. Important legislation in this behalf was introduced and carried by the Hon. Mr. Brodeur who distinguished his earlier months at the Department of Inland Revenue by careful and useful work in this respect. On Apr. 14th a deputation of tobacco growers from the Quebec Counties of Joliette, Berthier, L'Assomption and Montcalm waited upon the Premier and urged the Government to introduce legislation forbidding contracts made by the American Tobacco Company with store-keepers which bound them to handle no other goods than theirs; asked for the abolition of the distinctive Canadian stamp on Canadian tobacco and cigars; and requested an increase of 10 cents in the excise rate on imported tobacco. Other representations were made by individual manufacturers such as the Tucketts of Hamilton. On July 18th Mr. F. D. Monk moved in the House of Commons a Resolution declaring that " the Governmnt has not given the tobacco industry of Canada the protection and encouragement it is entitled to."

In a lengthy address Mr. Monk referred to the cultivation of tobacco in the Counties mentioned above, and in the Ontario County of Essex, as having been singularly productive of prosperous results; reviewed the fiscal legislation of past years in this connection and the complicated tariff and excise duties now in force; summed up the result since 1896 as the manufacture in Canada in that year of 9,169,299 lbs. of imported tobacco and in 1903 of 7,361,575 lbs. and of 4,447,978 lbs. of Canadian tobacco in 1896 and 3,151,724 lbs. in 1903. In the same period the making of combination tobacco had grown from nothing to 1,770,767 lbs. In cigars and cigarettes the manufactures from imported tobacco had increased from 85,000,000 lbs. to 335,000,000 lbs., while all the other tobacco used amounted to a little over 10,000,000 lbs. The speaker went on to deal with the complete monopoly of the tobacco trade threatened by the great American trust which was now represented in Canada by the American Tobacco Co. and the recently incorporated Imperial Tobacco Co.; and which had lately transferred the seat of its operations from the United States to England and thus benefited by the Preferential tariff. He also referred to the findings of Judge McTavish

of Ottawa as to the existing combine in 1903* and pointed out that of the Canadian output of cigarettes in 1902 amounting to 137,000,000 the American Tobacco Co. had sold 109,000,000. He concluded by demanding more protection for the industry and legislation against the United States monopoly.

The Hon. Mr. Brodeur, in replying, declared that the Government had several times introduced legislation aiding this industry and intended to do so again; pointed to alleged neglect of its interests by the preceding Conservative Government; and quoted a circular which he claimed to be an Opposition leaflet and which complained that the people's tobacco was taxed under Liberal rule $4.75 higher per head than under the former Government. He promised legislation in the matter and stated that the Minister of Agriculture was having important experiments in tobacco cultivation carried out at the Government Experimental Farm. After a speech by Mr. Clancy endorsing the motion it was lost by 19 to 50. On Aug. 4th the Minister introduced Resolutions as a basis for his proposed legislation. They dealt with the contracts under which the Companies already referred to had bound their customers not to sell any goods but theirs under penalty of not being allowed any of their goods to sell. He described the American Tobacco Co. as a huge United States trust with a combined capital of $301,000,000—including watered stock. In 1895 they had entered Canada and now controlled 85 per cent. of the cigarette business of the country. They had now formed a concern to get control of the cigar business and in a year or so, if not prevented by legislation, would perhaps destroy the 204 Canadian cigar factories now existing.

A general discussion followed, and Mr. R. L. Borden approved the principle of intervention, but not entirely the method adopted. Mr. R. A. Pringle championed the cause of the Company chiefly attacked by the Resolutions. It might be a U.S. monopoly yet he could buy tobacco 50 per cent. cheaper in the United States than in Canada. So far as this country was concerned there were ten tobacco manufacturing establishments in 1893, eleven in 1896 and 26 in 1902. Instead, therefore, of creating a monopoly the enormous amount of money expended by the concern in Canada had allowed the number of factories to increase by 16 while establishing its own large business. The Government was now legislating at the dictation of two or three small manufacturers against a Company which, in Canada alone, had a million dollars capital and he was informed had not yet paid a dividend. The proposed legislation was also dangerous as placing the control of a great industry entirely in the hands of one man—the Minister of Inland Revenue. The Resolutions, which authorized the Minister to take away the license of any manufacturer of goods, subject to excise, who should directly or indirectly attempt to enforce purchase from his own or a combination of firms, were

* NOTE—See *Canadian Annual Review* for 1903, page 116.

duly passed and carried in the form of an Act on Aug. 5th. On Sept. 7th Mr. Brodeur intimated to the Trust that their method of doing business would have to be changed or their license cancelled. The Company duly accepted the intimation to the great satisfaction of the other tobacco interests of the country.

Farm and Garden Products and the Tariff

In the House of Commons on June 1st the subject of tariff aid to garden products which had already been incidentally treated, and was occasionally referred to afterwards, was specially dealt with by Mr. Richard Blain in a Resolution which declared that a large and increasing quantity of farm and market products was being imported into Canada; that the country was fully capable of meeting all requirements in this respect and under an adequately protective tariff would do so; that a fiscal re-adjustment should be made during the present Session imposing specific instead of *ad-valorem* duties in this connection and thus secure the Canadian market to the Canadian consumer. He quoted the utterances of deputations to the Government and Resolutions passed at meetings of farmers and gardeners and dealt with the uneven rates of United States and Canadian duties. Higher duties should, he thought, be imposed upon vegetables such as potatoes, beans, tomatoes, etc.; on fruits such as apples, berries, melons, and peaches; on farm products such as butter, cheese, eggs, and bacon. There was altogether too much importation of competitive products from the United States. Since 1868 Canadian imports had increased $22,233,206 from Great Britain and $111,290,143 from the United States.

Mr. Monk followed and declared that in the matter of vegetables the importation was increasing, while the duty was so low that the revenue did not benefit and the prices were so high that the consumer suffered through lack of competition in Canada. It was impossible for the Canadian market-gardener to successfully face cheap negro labour with average duties of about 2 per cent. Mr. C. B. Heyd compared the immense volume of Canadian agricultural production with the very small comparative import and thought high duties would be absurd as well as unnecessary. Dr. T. S. Sproule, in reply, mentioned the matter of pork wherein a Conservative duty in 1890 had reduced in one year the import from 23,000,000 to 10,000,000 lbs. and saved the Canadian farmer at least $1,300,000 worth of his home market. The motion was lost on a party division of 41 Conservatives to 76 Liberals.

Western Boards of Trade Convention

The first combined gathering of the Boards of Trade of the North-West Territories was held at Calgary on June 15th. Delegates were present from Calgary, Cardston, Didsbury, Edmonton, Grenfell, Indian Head, Innisfail, Lacombe, Lethbridge, Maple Creek, Medicine Hat, Moose-Jaw, Moosomin, Olds, Ponoka, Prince Albert, Raymond, Red Deer, Regina, Strathcona,

Wapella, Weyburn, Wetaskiwin, Yorkton, Golden, and Saskatoon. A special deputation from Winnipeg was also present, including Messrs. William Whyte, J. H. Ashdown, and William Georgeson. The Convention was opened by Mr. W. H. Cushing, of Calgary, who related the circumstances under which the local Board of Trade had taken the initial steps toward this gathering, in the preceding January, and described the necessity for a strong bond of business fellowship amongst the widely-scattered communities of their vast Western country.

While the commercial interests of a country may not be the greatest factor in the upbuilding of a nation, it is certainly one of the greatest, and requires the best consideration of the best minds the country can produce. There are many sides to the questions involved in establishing a good sound, commercial life in a new country and I know of no better way to assist in this great work than for those who are engaged in trade and commerce to gather at stated periods for the purpose of intelligently discussing and considering ways and means to accomplish the end aimed at.

Mr. Mayor Ramsey then welcomed the delegates to Calgary and his address was followed by the election of Mr. Thomas Tweed, of Medicine Hat, as President, and of Messrs. J. W. Morris, of Edmonton, and H. W. Laird, Mayor of Regina, as Vice-Presidents of the Convention. Mr. C. W. Peterson was appointed Secretary. Other prominent men present were R. B. Bennett, M.L.A., R. J. Hutchings and J. J. Young, M.L.A., of Calgary, Dr. J. E. Stauffner of Didsbury, ex-Chief Justice T. H. Maguire of Prince Albert, W. F. Mytton of Regina, J. A. Magee of Yorkton—who had travelled 1,100 miles to attend the meeting—J. M. Douglas of Strathcona, and Wm. Short, Mayor of Edmonton. During the two days' meeting the subjects of keenest discussion were those of a general Insolvency Act, the advisability, or otherwise, of the Hudson's Bay route for the shipment of grain, and the question of Preferential trade as raised by Mr. Chamberlain. The Resolutions finally passed may be summarized as follows:

1. That it is desirable to have a general bankruptcy law for the Dominion providing for the liquidation of the estates of insolvents by commercial process; and that an adequate representation of the Provinces and Territories, in a commercial sense, should be brought into conference upon the subject with the Dominion Government.
2. That a system for the collection of small debts in the Territories should be established based upon the law of Ontario but eliminating imprisonment for debt under a judgment summons; giving Clerks of the Supreme Court power to hear and determine Civil actions involving less than $100, with the right of appeal to the District Judge; and defining procedure regarding process service, garnishees, costs, judgment summons, etc.
3. That the Convention believes Hudson's Bay and Straits to be commercially navigable and the shortest and most advantageous route to and from Europe.
4. That Mayors of incorporated towns should be magistrates by virtue of their office.

5. That an early and thorough investigation should be made by the Federal Transportation Commission into the possibility of C. P. R. Pacific ports being made the outlet to European markets for the products of the western part of the Territories—especially in view of the coming completion of the Panama Canal; and declaring that for shipments to Asia, Australia, and South Africa these ports are the natural and cheapest outlet.

6. That Calgary should be a point for the grading and inspection of grain.

7. That the Government should stock certain lakes of the Territories with whitefish.

8. That the Dominion Government should pursue a policy calculated to exclude from the West degenerate types of immigrants.

9. That the C. P. R. be urged to run an annual excursion to Western Canada during the summer months.

10. That the attention of the Dominion Government be called to the great importance of improving navigation on the Saskatchewan River.

11. That the development of the resources of the Territories amply justifies and urgently requires the immediate and rapid construction of the projected trans-continental lines of railway through the northern portion of the Territories.

12. That good roads are a first necessity in the transportation problem of the West and further delay in their construction a serious injury to the country, and local Associations in aid of such a policy should be formed with the aid of the Territorial Government.

13. That in the opinion of this Convention the permanency and supremacy of the British Empire will be best assured; the bonds of union between the Colonies and the Mother-land materially strengthened; and in particular, the growth and development of the Canadian West stimulated and its prosperity enhanced; by the adoption of a reciprocal preferential tariff within the Empire, securing to every portion thereof, by the admission of British goods at all British ports at a lower rate of duty than foreign products, a substantial commercial advantage, and insuring a clearer recognition of the Imperial character of our common citizenship; and that this Convention enthusiastically supports the policy of the Right Honourable Joseph Chamberlain in that behalf.

The Convention lasted two days and was concluded by a banquet. It was decided to make the organization a permanent one, to meet next year at Regina, and to invite the Boards of Trade in British Columbia and Manitoba to send delegates upon that occasion.

The Public Ownership of Utilities and Railways

During 1904 there was a very general and growing discussion of this important question. It culminated in Mr. R. L. Borden's declaration in favour of the application of the principle to the proposed Trans-continental Railway and continued through the ensuing general elections. The process of popularity in this respect was a gradual evolution out of the municipal ownership of such utilities as waterworks and gas or electric lighting plants. Hamilton had assumed control of its waterworks in 1861, Toronto in 1871, Ottawa in 1874, London in 1878, and Kingston in 1887. While none of the large cities had yet undertaken to operate the electric light service many of the smaller cities and towns had done so—37 in all. The number of places in Ontario owning waterworks in 1903 was 78; owning waterworks and gas plants 3; owning waterworks and electric lighting plants 26; owning electric

lighting alone 110. Profits were shown in 44 of these cases and losses in 48. The following table of Ontario towns and villages in 1903 which owned their electric light plants, together with the total capital—inclusive of borrowed capital—provided by the municipal corporations is of value in this connection:

	Year.	Amount.
Acton	1899	$ 6,000
Alexandria (including water-works)	1899	50,495
Almonte	1901	30,000
Amherstburg	1891	3,000
Aylmer	1901	20,000
Beeton	1898	6,500
Bothwell	1899	7,000
Bracebridge (including power)	1895	47,500
Brockville	1901	65,000
Chatham	1897	12,000
Dresden	1901	12,087
Dundalk	1899	6,500
East Toronto	1900	11,065
Fort William	....	39,000
Goderich	1887	18,500
Hastings	1871	7,800
Hespeler (including power)	1900	15,483
Iroquois	1902	$18,000
Markham	1890	2,000
Mitchell	1889	4,000
Mount Forest	1896	23,000
Newmarket	1896	23,000
Niagara	1892	14,000
Niagara Falls	1899	71,000
North Toronto	....	10,000
Orillia	1887	....
Paris	1901	17,429
Parry Sound	1901	29,000
Port Arthur	1897	15,000
Prescott	....	21,000
St. Mary's	1901	19,223
Thessalon	1901	13,000
Thorold	....	25,000
Tottenham	1902	6,000
Weston	1899	7,000
Windsor	1891	25,573

During 1904 the question of municipal ownership was prominent in Brantford where the control of the waterworks had been very successful and a proposition to acquire the electric lighting plant was brought under consideration and, later on, a proposal to assume control of the telephone service. London had recently come to terms with the Bell Telephone Company and Peterborough had granted a franchise to an independent concern. A little later the Town of Perth asked the Legislature for power to establish a local lighting plant in opposition to the existing one, which apparently would not sell out upon the terms desired, but the request was refused. Meantime, in St. John, N.B., a Civic Committee reported to the Council on Jan. 4th in favour of the immediate installation of an automatic telephone system costing $150,000 and owned and operated by the city. The Report was adopted subject to the submission of a financial scheme and further negotiation with private companies.

The question of public ownership in the electric railway running between the towns of Port Arthur and Fort William and owned and operated by the former municipality created some discussion in the early part of the year. Writing to the Toronto *Mail* on Jan. 16th Mr. G. T. Marks, ex-Mayor of Port Arthur, gave a history of the undertaking, dealt with the current special expenditure of $234,000 upon the road—now ten miles in length, and declared that in 1903 "the railway and lighting power plant has earned sufficient to pay not only the operating expenses but the interest on the money invested by the town and the whole plant to-day would sell for more than the original cost together

with the losses and interest." Very low rates of travel and very cheap light had also, he said, been secured. In Fort William and Port Arthur a telephone system was also controlled by each municipality in competition with the Bell Telephone Co. and the rivalry between these interests caused various discussions in the press and the Legislature. There was a free exchange between the two towns and the rates were $1.00 per month for domestic, and $2.00 per month for commercial, telephones.

On Jan. 8th the Toronto *Mail and Empire* reproduced an elaborate report from a special Commissioner sent up by the Ottawa *Free Press* to investigate these systems in actual operation. He had found the great majority of the 10,000 people concerned to be ardent advocates of the policy of municipal ownership; adduced figures indicating a total loss or deficit in the two towns of $118,-508 upon ten years' operation of the street railway and lighting plants; declared the liabilities of Port Arthur in this connection to be $618,280; stated the street railway service to be fairly good, the electric light service distinctly bad, and the telephone service unsatisfactory. Lack of experience in management and an absence of expert supervision were commented upon. Of Fort William he gave figures indicating that the plants were not self-supporting and declared the water-supply poor and the telephone service bad. He summed up the situation in both towns as being productive of annual deficits, of excessive capital expenditure and of objectionable methods of financing.

To this gloomy statement of conditions a reply was issued, on behalf of one of the municipalities concerned, signed by Mayor C. H. Jackson and other officials of Fort William. In it their critic was accused of not telling the truth and his paper of being under the influence of the Bell Company. Official figures were given up to Dec. 31st, 1903, indicating a small surplus in the accounts of water, light and telephone for the years operated. Proofs were given in detail of apparent inaccuracies in statement and the following conclusion was reached: "The figures here given show that the systems have paid for themselves; that they are now making a small profit; and that a valuable asset can be shown for every dollar of expenditure. The strongest proof of the popularity of the principle can be found in the fact that the rank and file of our inhabitants are the owners of their own homes and that no offer, however good, could induce them to sell those franchises." Some further discussion took place as a result of the application of these towns to the Railway Commission for power to connect their telephone systems with the local Canadian Pacific Railway stations and freight sheds—then under contract with the Bell Company. Mr. A. G. Blair, the Chairman, (Messrs. Bernier and Mills dissenting) announced his decision on Mar. 15th* to the following effect:

* NOTE—The Chairman's decision was binding by law over the other two members. On Mar. 22nd Mr. Blair answered the complaints made regarding his award by saying that it was simply an interpretation of the law, and that it would facilitate an appeal.

Our decision, therefore, is to make the order under Clause 193, granting leave to the Port Arthur Municipality to connect, operate and maintain their telephone systems within the passenger and freight stations of the Canadian Pacific Railway Company at Port Arthur upon terms as to compensation for any actual pecuniary loss the Bell Company and the Canadian Pacific Railway shall satisfy us they, or either of them, will sustain by reason of, or consequent upon, the interference with the existing contractual rights of the parties, and also such charges and expenses as may be occasioned by the construction, operation and maintenance of the connection in the stations at Port Arthur of the telephones of the municipality; and, in the meanwhile, pending the fixing and adjusting of the amounts awarded the issue of the order by the Board will be suspended.

In Toronto, on Feb. 17th, Mayor Urquhart submitted to the Board of Control a Report favouring municipal ownership of telephones in a general way, and dealing with certain competitive Company proposals then before the city authorities. He declared that any franchise granted should include the city's right to purchase, admitted that the Bell rates in Canada were lower than in the United States, pointed to over-capitalization as the great danger of private corporations, and recommended that in any arrangement the City Engineer should have absolute control over the placing of wires above or under ground, together with supervision of work done upon the public streets. After considerable discussion the terms offered by the City to the two Companies referred to were made public on May 2nd. The project was allowed to fall through for a time because of the Civic demand for a guarantee in the shape of a $100,000 deposit but, late in the year, was revived by a tender from one of the concerns. During the early months of the year a strong agitation was maintained by the Toronto *World* in connection with the action of the Kingston Street Railway which, under some technical claim in their charter, suspended for a time the winter service of their road. The incident was turned into an object lesson of the value of municipal ownership. Some of the general arguments in favour of municipal ownership urged by Mr. W. F. Maclean, M.P., of the *World*, at a meeting in Kingston on Mar. 19th, are worthy of record in summarized and condensed form:

1. Public ownership promotes public independence.
2. It offers the utility or service at the lowest possible price to the greatest number of people instead of trying to obtain the highest possible price.
3. It enables a municipality to offer greater inducements to industries.
4. It affords the essentials of modern life at lowest prices—cheap electrical energy, cheap gas for fuel, cheap street car travel.
5. It endeavours to see how much it can give the public for their money instead of how little.
6. Once created, private ownership may become the public enemy by electoral corruption and public interference.
7. Public ownership gives unearned increment and unexpected profits to the people and enables joint management of different utilities to lessen expenditures.
8. It will tend to wean the press from its present control, or influence, by corporations.

As a perhaps partial result of Kingston's experience with its Street Railway a by-law was carried there on Mar. 21st, by a large majority, for the acquisition of the local Light, Heat and Power Company's plant at an arbitrated price of $182,000. Another incident of 1904 was the struggle at Ottawa over an agreement to renew the Bell Company's local franchise. The Ottawa *Citizen* and the *Journal* did not maintain their previous views as to general municipal ownership in this particular application and, in the end, a renewal was obtained for two years. Mr. P. D. Ross of the *Journal* in a letter to the Editor of the Brantford *Expositor* explained the local situation by intimating that the Council had thrown out the ownership proposition and the problem then became one of the Bell or a competitive concern. The latter condition would make public operation still more difficult and they joined, therefore, in keeping the grant to the Bell Company at two years, only, and in obtaining a reduction from $30 to $25 for house telephones and a certain number of free telephones for civic purposes. In Parliament, on May 13th, it was stated in this connection that free competition in telephones would give every farmer a phone for $8.00 a year and to every business man in towns for $2.00.

On May 14th the Toronto *World* contained an interview with Mr. C. W. Peterson, a prominent citizen of Calgary, giving a Western view of the subject: "I have long maintained that the evolution of the ranch and farm requires generous use of all modern inventions. The telephone I believe is the most useful of the many devices for rendering farming easy and profitable. In the past few years I have called many meetings of farmers to discuss the subject of co-operative work in this direction, but in every instance we have been blocked by the Bell people. That we are being damaged, directly and seriously, by the attitude of the Bell Company I am certain." Following this came a prolonged controversy in Ottawa, and finally in Parliament, over the street lighting of the capital. The city had twice voted in favour of the principle of municipal purchase and control but the Council would not promulgate any plan of action. The new conflict turned upon a measure introduced into Parliament on behalf of the Ottawa Electric Co. and giving that concern power, practically, to absorb its only competitor by rescinding an agreement with the City under which the competitive Company was compelled to remain an independent concern. Civic protests ensued, together with the intervention of the Union of Canadian Municipalities under the lead of Mr. W. D. Lighthall of Montreal, while prolonged debates took place in the Commons. Messrs. W. F. Maclean, J. G. Haggart, E. F. Clarke, A. W. Puttee, C. B. Heyd, E. A. Lancaster, E. D. Smith and others fought the proposed monopoly strongly and, finally, on the third reading of the Bill an amendment was carried restraining the Company from acquiring stock in competitive concerns. The measure was subsequently withdrawn.

Further developments may be traced very briefly. A Committee of the Retail Merchants' Association of Toronto reported on July 6th in favour of the municipal ownership of electric lighting plants as being the only way to ensure a proper service. The Vancouver Board of Trade on July 12th endorsed the movement of the Ottawa Board in favour of the national ownership of telegraph lines. On Oct. 22nd 75 per cent. of the Toronto ratepayers who voted cast their ballots in favour of the Civic acquisition of stock in the Consumers' Gas Co. and steps were at once taken to carry out the popular wish as expressed. Toward the end of the year the Toronto *World* conducted a vigorous campaign against the Hamilton Street Railway Co. for alleged infraction of contract; and against the Hon. Mr. Gibson, Attorney-General, for not interfering on behalf of the public and for being President of a concern which was said to control the Street Railway Company. On Nov. 10th this paper made the following claim:

> Ontario declared for public ownership, and by public ownership we mean not only public ownership of a national railway, public ownership in cities and towns, but public ownership as applied to country places. By means of public ownership a Province like Ontario, enjoying immense resources in the way of water-power facilities, could distribute the cheapest power in the world to the great bulk of the farmers in this country. Through public ownership the Province of Ontario could give every farmer a telephone for less than $10 a year. Through public ownership a system of waterworks could be installed for nearly all the old and settled counties of Ontario. That would give most of the farmers a water service and drainage to his house, along his roads, and in some of his fields. A Legislature seized with the idea of public ownership could use its powers in the way of taxation to compel the railways to submit to the public regulation of their charges outside of any regulation that might be possible under Federal law. Through public ownership power could be generated at the Falls sufficient to run every railway car that now crosses Ontario and in that way, of itself, could all the railway charges be regulated in the public interest.

As indicating the possible evil of corporation control in municipalities came the decision of the Judicial Committee of the Imperial Privy Council on Nov. 10th declaring that the Bell Telephone Company had power, under Dominion law, to place poles in the streets of Toronto without the consent of the municipality. On the same day Mr. Justice Anglin of the High Court of Ontario decided in the case of the City against the Toronto Railway Company that the contentions of the former were right in law but that the Court had no power to "order specific performance of an agreement by an electric company" as to its internal operation and management.

After the general elections and the accompanying discussion of Government ownership of railways there were various evidences of a growth in the municipal part of the movement. On Nov. 15th Mayor Urquhart presented a motion in the Toronto Board of Control recapitulating the City's claims against the local Street Railway and

THE HON. SIR GEORGE ALEXANDER DRUMMOND, K.C.M.G.

Senator of Canada. Knighted by H. M. the King, June 24th, 1904.

SIR HUGH MONTAGU ALLAN.

Knighted by H. M. the King, June 24th, 1904.

the present condition of affairs, and concluding as follows: "Be it resolved that application be made to the Legislature of the Province of Ontario at its ensuing Session for power to enable the City to take over or expropriate the Toronto Railway." The *Globe* approved this policy (Nov. 16th) and declared the Ross Government to be "favourable to public ownership of public services" and the Opposition to be similarly on record. The Board of Control endorsed the Mayor's suggestion and the Resolution passed the Council with practical unanimity.

Two other cities also took preliminary action in connection with their Street Railways at this time. Hamilton was given an intimation by the Hon. J. M. Gibson on Nov. 25th that perhaps $875,000, or less, would buy out the local road of which he was President. In Ottawa it was stated that the local Railway had named $2,500,000 as its price and by a vote of 13 to 7 in the City Council it was decided to submit to the property owners a by-law authorizing its purchase at that figure. There was, however, considerable opposition and the Board of Trade on Dec. 14th declared by almost unanimous Resolution that "the present is not an opportune time for the City to assume the responsibility of purchasing and managing a Street Railway which gives our citizens as good and economical a service as any in Canada." In Westmount, the enterprising suburb of Montreal, a proposal to establish a municipal electric lighting plant was vigorously discussed and finally carried by a vote of 446 to 111 property owners on Dec. 3rd. Mayor Laporte of Montreal, in commenting upon this result, intimated that at the expiry of the City's present contract they might go in for a similar policy.

In the Ontario Provincial elections at the close of the year there was some discussion of the general subject. At the Liberal Convention in Toronto on Nov. 24th a long Resolution was passed in favour of Legislative action to remove obstacles in the way of acquiring franchises in municipalities; declaring that hereafter no public franchise should be granted for more than 30 years; and favouring the insertion of a purchase clause in all such agreements. On the following day the Conservative Conference passed a Resolution, on motion of Dr. Beattie Nesbitt, declaring that "legislation should be had to facilitate the acquirement by municipalities, on proper and reasonable terms, of all public utilities." The Toronto organs of the Liberal party strongly approved of the Convention's course and the *Star,* in particular, urged the use of electric energy in light and power as an imperative subject for public ownership.

Meanwhile, in Winnipeg, a by-law was submitted to the people on Dec. 13th for the installation of a municipal gas-plant at a cost of $400,000, but was defeated because the required proportion of the qualified electors did not vote. In Calgary on Nov. 24th the citizens voted to invest $60,000 in a municipal electric lighting plant—despite local private competition. In St. Thomas,

Ont., the municipality made arrangements toward the close of the year for taking over the gas and electric plants of that place. On Dec. 13th an Ottawa correspondent of the Toronto *News* contributed to that paper a strong argument in favour of the state ownership of telegraphs and instanced conditions in England, Australia and New Zealand where the public paid a cent a word and in Canada where telegrams averaged a cent and a half.

Public Ownership Discussed in Parliament

Aside from the Parliamentary treatment of public ownership caused by the proposed building of the Grand Trunk Pacific there was much discussion in the Commons during 1904 upon the general question. On May 13th, Mr. W. F. Maclean brought up the question of Telephones and urged the adoption of a general policy of state regulation and assumption of ownership. It was, he thought, the only way to prevent the people suffering at the hands of corporations. He adduced proof that the nationalization of telegraphs in Great Britain had been very successful and described the Swedish control of telephones under which one could talk from Ottawa to Toronto for from four to eight cents. Farmers all over the country were now prevented from having independent lines by the refusal of the Bell Company to allow connection with its main lines. "A national service can be given for one-half what is charged to-day and the revenues will provide a sinking fund that in 20 years will extinguish the debt—as is being done in Sweden." It would give every farmer in Canada a telephone in his house at from $8 to $10 a year instead of from $40 to $100 a year as now asked by the Bell Telephone Co.

On May 30th the same member urged the bringing of Express Companies under the jurisdiction of the Railway Commission. They were now all owned by the railways and yet in the matter of rates, and their treatment of the public, were beyond Government control. He also referred to the difficulties of Port Arthur and Fort William with their telephone service through the refusal of the Canadian Pacific Railway to allow them connection with its offices. The partisan management of the Intercolonial, and its alleged influence on elections in behalf of the Government, was discussed on July 6th and 7th and, indirectly, threw light or shade upon the problem of Government ownership of railways. On July 14th Mr. Maclean moved an amendment to the Railway Act in the House which proposed to meet such troubles as those of Port Arthur by providing that independent telephone companies should have the right of access to stations upon payment of the actual damage incurred by their intrusion—not any damage sustained under pre-existing contracts. The Hon. Mr. Fitzpatrick opposed this on the ground that Parliament had no right to authorize the violation of existing agreements without compensation. Mr. R. L. Borden took this line: "While we must respect the sanctity of contracts, we at the same time say that no arrangement ought

to be made between two corporations possessing these monopolies by which the people, through independent companies, are restricted from that means of communication with the railway stations throughout the country which is so desirable in the public interests." After a long discussion the amendment was negatived. On July 26th Mr. Maclean again moved for Government control of Express Companies but was defeated by 72 votes to 33.

Progress of the Grand Trunk Pacific Project

Passing from questions of municipal ownership during the year one comes naturally to the great public issue around which waged a political battle with the principle of Government or national ownership of a trans-continental railway as the chief factor—on the surface at any rate. Events at the close of the year 1903 had made it evident that the Grand Trunk interests concerned would want some amendments made in the original Contract with the Government before commencing to finance the enterprise. On Dec. 15th Sir Charles Rivers-Wilson, as President of the Grand Trunk Railway, had written Sir Wilfrid Laurier a letter which was not made public until three months later. In it he declared that his Board of Directors could not ask the shareholders to affirm the agreement in its precise present form. They fully understood the Premier's difficulties and he believed that Sir Wilfrid understood something of theirs. Meantime, Mr. Hays was returning from England with certain suggested amendments and with full authority from the Directors. The writer summed up the situation as follows:

> It has always seemed to me that the Government of Canada and the Grand Trunk Railway Company, being in point of fact partners in the enterprise, the former actuated by considerations of national policy, the latter by the necessity of securing its share in the growing prosperity of the North-West, the burden of financial liability should be shared between the two in as equable proportion as possible; but I venture to think, and this view is strongly held by my Board, that too large a proportion of the burden has been imposed upon the Grand Trunk Railway Company.

On Jan. 16th, following, it was announced that Parliament would be called shortly and the official statement was to the effect that "the Government has been engaged for some days in considering certain modifications which have been asked by the Grand Trunk Railway Company in the Contract entered into last Session. The Government is of the opinion that such modifications must be submitted to and discussed by Parliament." This settled the question, incidentally, of an immediate general election and gave the subject a new element for controversial treatment. The Opposition press at once stigmatized the proposed re-arrangement, and abandonment of supposed plans for a Dissolution, as indicating a collapse in the "crude and unworkable" agreement and a fear of meeting the country on the issue. The Toronto *Mail and Empire* went so far as to say that the project had "burst like a

bubble." The Toronto *News* during several weeks continued a critical and undoubtedly able analysis of the project itself and of the Government's bargain with the Grand Trunk Railway. Doubts were current during this period as to whether the Government really intended to build the Quebec to Moncton part of the project and it was asserted that the proposed modifications would include a change in this portion of the plan. Speaking at Moncton, N.B., on Jan. 22nd the Hon. Mr. Emmerson, in his first speech after appointment to the Railway Department, declared that the project would be carried out in its entirety and that the alterations in the Contract would be "few and reasonable."

An indication of the character of some current discussions was afforded by the Montreal *Star's* reference on Jan. 23rd to "that mad route, unknown, unsurveyed and uninhabited, through the North country, over granite ranges, from Winnipeg to Quebec." Writing to the *Globe* on Feb. 5th Mr. J. G. Scott, of the Quebec and Lake St. John Railway, protested against this description of the region in question and gave an enthusiastic picture of its great rivers and water-powers, its forests and climate. It was not a mountainous country, he claimed, and the St. Maurice, the Nottaway and the Albany watered large portions of the clay-soiled valleys of a country as large as Germany and with resources and conditions as good as those of the St. John Valley in Quebec. At Westmount on Feb. 11th the Hon. Mr. Fielding stated clearly that he hoped for a reasonable re-arrangement with the Grand Trunk, but if that were impossible the trans-continental line would be built without its co-operation. At Halifax, a little before this, on Jan. 28th, President J. E. deWolf in his annual address to the Board of Trade endorsed the project warmly. "We look forward with hopeful expectations to the competition of this road and its great possibilities for building up the marine ports of Canada. It must prove to be of great benefit to the whole Dominion. Possessing, as we do, a country rich in all those natural resources which make a country great, we hail with satisfaction any important national work tending to the development of such resources."

On the other hand, the St. John *Telegraph*, at one time the organ of the Hon. Mr. Blair, and undoubtedly still influenced by him, continued to express doubt as to the actual building of the road and on Feb. 10th suggested that "it would be a good thing for Canada if the project were dropped until surveys had been made and the country knew what it was asked to endorse." In British Columbia, on the Pacific coast of Canada, public opinion was indicated in the press to be enthusiastic amongst the Liberals and hesitating amongst the Opposition. The Conservative *News-Advertiser* of Vancouver stated, on Feb. 21st, that "construction of the western part of the line is of such great Provincial interest that there will be some anxiety felt here until it is known that all obstacles have been removed and that construction

will be commenced." The *Colonist* of Victoria, the Provincial Government organ, adopted an attitude at this time which could hardly be deemed hostile. The Nelson *Tribune* was friendly. In the East the independent press was decidedly hostile to the project—including the Montreal *Witness,* the Huntingdon *Gleaner,* the Charlottetown *Guardian,* the Hamilton *Herald* and the Ottawa *Journal.* So was the Winnipeg *Tribune.* In the Winnipeg *Free Press* on Feb. 10th Mr. Frank Moberly, a well-known railway engineer of Victoria, B.C., wrote at length in eulogy of the project and of its great benefit to the West.

On Feb. 29th the proposed modifications of the Grand Trunk Railway Contract were made public at Ottawa. As given in the *Globe* of the following day they indicated no changes with respect to the construction, operation, lease or location of the Eastern Division and the main object was stated to be the facilitating of financial arrangements as to the Mountain Section by extension of the limit, on bonds to be guaranteed by the Government, to three-fourths of the cost; the provision of a remedy in case of default in the payment of interest on the bonds; the extension of time for completing the Western Division to Dec. 1st, 1911; the addition of certain specified conditions under which the deposit of $5,000,000 could be returned to the Company; the giving to the Grand Trunk of control over the $25,000,000 of common stock to be taken in the Grand Trunk Pacific Co.; the grant to the latter Company of running rights for another 50 years over the Eastern Division should the Government at the end of the present 50 years' lease assume control and operation of that part of the road. On Mar. 9th the Grand Trunk Pacific Co. deposited in the Bank of Montreal, Montreal, the sum of $5,000,000 in accordance with the original Contract and a receipt was issued accordingly.

The Grand Trunk Authorities and the Trans-continental

Meanwhile, Mr. C. M. Hays, General Manager of the Grand Trunk, had left for England to attend the meeting of shareholders called for Mar. 8th at which the Contract and supplementary agreement were to be considered and dealt with. In his Report the President—Sir C. Rivers-Wilson—declared the agreements to be the result of "protracted and most careful and anxious negotiations with the Government" and urged on behalf of the Directors that they be given favourable consideration and approval by the shareholders. In addressing the meeting* Sir Charles described the rapid growth of the country in the West, the increase of immigration, the natural richness of the region and the necessity of the Grand Trunk keeping pace with the times and reaping some benefit from the development now going on. "Thus, surrounded on all sides by elements of progress, it is absolutely impossible for our Company to stand still. We must either con-

* Report of meeting in *Railway News, Financial and Joint Stock Company's Journal,* published in London; dated Mar. 12th, 1904, and read in the House of Commons on Apr. 21st by Mr. A. A. Lefurgey.

tinue to advance or we must recede and yield the offered advantages to more enterprising and far-seeing competitors." They had therefore determined to ask Parliament for authority to construct a line of railway "from a point of junction at or on the Grand Trunk Line, passing through the most fertile districts of the North-West and terminating at a port on the Pacific Coast." But opposition had ensued in Parliament and they had been unable to get the project through without having "some limited obligations" imposed on the Grand Trunk Railway Co.*

Our original idea was to build from a point on the Grand Trunk Railway to the Pacific Coast. The intention was that the point of junction should be at or in the neighbourhood of North Bay. It was made, however, by the Government, a condition of the grant of the charter of the Grand Trunk Pacific Company that the line should be extended eastward from North Bay to Quebec, into the City of Moncton, in New Brunswick, the point of junction on the Intercolonial, communicating with St. John, N.B., to the southwest, and Halifax, N.S., to the southeast. As a result, however, of the negotiations with the Government, another Bill was introduced by the Government itself for ensuring the construction of the contemplated line from New Brunswick to the Pacific in joint partnership between the Government and the Grand Trunk Pacific Company. An agreement under which the line would be constructed and worked was embodied in the Government Bill, and it is the first of the two agreements which are submitted to you to-day, so far as they affect the interests of the Grand Trunk Company.

He continued by complimenting the enterprise and its promoters on the hostility of the competitors of the project and congratulating Sir Wilfrid Laurier upon his patriotism and statecraft. The result had been "a partnership between the Government and the Grand Trunk Pacific Co., supported as that Company would be by the influence and connections of the Grand Trunk Railway." Sir Charles then proceeded to eulogize the strenuous efforts and great ability of Mr. Hays in this connection and to point out the change in general financial conditions which had made necessary some modifications in the original agreement. He described the length of the new road from Moncton to Port Simpson as 3,400 miles and, of this, 1,900 miles would be in the Government Line from Moncton to Winnipeg. The Prairie Section was 1,000 miles in length and the Mountain Section 500 miles. Branch lines would connect the road with the Grand Trunk System and with Lake Superior. He described the Contract at length and analyzed it in detail with such comments as the following about the construction of the Line over the prairies:

Passing as it will do through the most fertile and most promising belt of country in the whole of the North-West Territory, there cannot be the slightest doubt that this portion of the road, built as I have said, under such favourable and economical conditions, will immediately produce excellent results, and will by itself more than justify the adoption of the scheme in its entirety. The Mountain Section, as its name implies, naturally presents features of greater difficulty and cost, but here again,

* NOTE—For a history of the project in 1903 and an analysis of its terms see the *Canadian Annual Review* for 1903, pages 31-54.

although the survey parties have not completed their work, the country has been quite sufficiently explored to enable us to say that its general features are well known, and our advisers are satisfied that the cost of laying the road will be considerably less than that of other roads traversing these mountains and, notably, the Canadian Pacific which passes through the same range of mountains under conditions of far greater difficulty than are presented by the more northern route.

After giving detailed statistics as to the financial burden which the project might impose upon the Grand Trunk Company the speaker summarized their responsibility in this respect at a guarantee of bonds amounting to £2,968,000 and an annual interest of £118,720—not accruing until eight years after the commencement of construction. He concluded with this statement: "We claim for the scheme that it is a fair and business-like arrangement, most carefully thought out, and surrounded by every safeguard that prudence can suggest for the protection and enhancement of the interests of our shareholders. We consider it alike as a measure of necessity, and as affording an opportunity which, if neglected, will never again occur of insuring and improving the fortunes of our Company and, as such, your Board unanimously and confidently commend it to your approval." Seconded by Lord Welby, a Director in both Companies, Sir Charles then moved the following Resolution:

That the agreement dated July 29th, 1903, between the Government of Canada and the promoters of the Grand Trunk Pacific Company, as amended by a supplementary agreement thereto dated the 18th day of February, 1904, (copies of which agreements are now submitted to this meeting) be, and the same is hereby approved and the Directors are hereby authorized and empowered to carry the same into effect so far as the said agreements relate to or affect this Company, and in particular the Directors are authorized to make such arrangements as they may think fit with the Government and the Grand Trunk Pacific Company for providing or securing deposit of $5,000,000, either in cash or securities and are further empowered to guarantee the second mortgage bonds of the Grand Trunk Pacific Company both for principal and interest to be issued pursuant to the provisions of the agreements, and to enter into any contract or contracts relating thereto.

Lord Welby, in his address, asked the shareholders to choose between a policy of restriction and hampered development or one of expansion with the country. In any case "the Government of Canada has entirely decided that it will carry out this new line" and if the Grand Trunk hesitated to take hold, there were others, he declared, only too anxious to do so. The Board considered that the financial risk in the enterprise had been "reduced to a minimum" and they further believed that before many years the bulk of England's wheat supply would be derived from the regions they were going to open up. "That being the case, when we assure you, so far as this Prairie Section is concerned, in laying this scheme before you, we are speaking of a certainty that from the time the line is accomplished it will produce a very considerable revenue and that from the rapid settlement of the country

which will follow the establishment of the line it will, within a very few years, be a very profitable line. So far as that is concerned, your Directors have not the slightest hesitation in submitting to your acceptance that part of the scheme." Other speeches followed, with some expressed opposition and the moving of an amendment postponing consideration until further and specified information had been received.

Mr. Hays was then called upon and commenced by saying that if he believed the present condition of yearly dividends to the holders of first, second, and third preference stocks was going to continue he would not be before them in advocacy of the present scheme. The Grand Trunk was drawing a large portion of its present traffic from the country they now sought to enter and to permanently hold for the Company. This traffic they would lose unless other conditions developed. "We cannot hold it. We are to-day handling from fifteen to twenty million—last year it reached 24,000,000—bushels of grain, which came across the lakes from Lake Superior down to our ports, feeding the whole Grand Trunk system throughout Ontario, and thus contributing a very large portion to our earnings. We cannot hold that to our System if we do not take some means of fastening it to us. That business to-day, gentlemen, is given to us by our competitors. It is not collected by the Grand Trunk Railway itself." Turning to the other direction—the East to the West—he added: "The G. T. R. is in this rather ridiculous position, from a business standpoint, of gathering up traffic from the largest and most prosperous portion of Canada, taking it to North Bay, our connection with the Canadian Pacific, and from there giving it to the Canadian Pacific to haul across the country into this prosperous and rapidly-developing district we are speaking of."

Another serious competitor was looming on the horizon in the Canadian Northern Railway. In the future the Grand Trunk Pacific would start its new Line going with all the ready-made traffic of the Grand Trunk which was now being given over to competitors so far as the West was concerned and they would share in the growth, the trade, the wealth-giving interests of the great new country which they would open up. The new road would be a 1,500 miles shorter route from Montreal to Yokohama than *via* New York and San Francisco. "There are many of you here to-day who will live to see the Grand Trunk Pacific hauling as much of its grain toward the Pacific for consumption in China, Japan, etc., as will be hauled in this eastern direction." They would also control the rapidly-growing business of the Yukon. He estimated that it would be 18 years before there could be any burden placed upon the earnings of the Grand Trunk—even in respect to the Mountain Section. The route through the mountains was the one originally selected by the Canadian Government for the Canadian Pacific Railway and upon the surveys of which some $3,000,000 had been expended.

Mr. A. W. Smithers followed and urged the support of the shareholders on the ground that their credit with the Canadian Government and their future influence and success in Canada depended upon their present action. The amendment was lost on a vote and the Resolution then duly carried. There was, of course, some criticism of the Grand Trunk's action and policy in this connection. The *Financial Times* of London represented the views of a small minority of shareholders at the meeting when it referred to the holders of dividendless, ordinary, stock having their apparent chance of a coming dividend destroyed; and declared that a policy of conserving its forces, cultivating its present territory, and building up its financial status, would have been very much better than launching upon an enormous plan of Imperial construction of which no one could see the end. The paper added that it was Mr. Hays who saved the situation at the meeting. So important were these proceedings considered that a verbatim report of the speeches was read in the Canadian Parliament on Apl. 21st in order that it might find a place in the permanent pages of *Hansard*.

The Premier presents the Amended Agreement to Parliament

On Apr. 5th Sir Wilfrid Laurier presented to the House of Commons the modifications in the Trans-continental Railway Contract which had been agreed to by the Grand Trunk authorities and the Government of Canada. He reviewed the general question of transportation involving, as it did, not only the present scheme but the improvement of the waterways and the development of overland communication from the Great Lakes to the Atlantic Ocean and the connection of the growing western centres of population with the Yukon. The Grand Trunk Pacific was, he argued, imperatively needed because of the growth of settlement in the West, because of the growth of production there, because of the disorganization of trade and the discontent of the still scattered population at lack of transportation facilities, because of the inability of the Canadian Pacific to carry wheat around the north shore of Lake Superior, because of the richness of the country which the new road would open up and develop. After pointing out that the leading feature in the Contract accepted by Parliament in the preceding Session was the fact that the Grand Trunk "would not only be a party to the enterprise but that they would have a controlling interest in it and would practically take the enterprise on their own shoulders," he proceeded to describe the present state of affairs as one in which the Grand Trunk claimed the conditions of the Contract to be too onerous and declared their inability to float and finance and organize the scheme without a re-arrangement of terms.

The Premier than analysed at great length the changes demanded by the Grand Trunk and those which were eventually granted. The Company had asked for the removal of the forfeiture clause relating to the $5,000,000 deposit and the promised

completion of the Western Division in five years but this had been refused and the time extended three years instead. As to the eventual release of the deposit the Company had asked for pronounced modifications and the Government had met them this far: "If when the Company shall have completed the Western Section, the Eastern Section shall not have been completed by the Government, and shall not be in a position to receive the rolling stock, then the Company shall be entitled to the release of its deposit, provided that of the twenty millions of rolling stock, five millions is to be set aside for the Eastern Section as security that it will be equipped." In the matter of leasing and operating the Eastern Section the Company had asked a modification which involved practically the payment of their net profits for the privilege and nothing else. To this the Government would not agree but undertook to lease portions of the Government Section, as completed, upon terms not more onerous than those stipulated in the Contract.

The character of Government aid in the construction of the Western Section was a more important element in the changes proposed. The Company had asked the Government to guarantee an issue of bonds sufficient to realize 75 per cent. of the whole cost of construction without any restriction as to liability or, as an alternative, to advance the money directly. They had agreed to remove the restriction in the Government guarantee of 75 per cent, on a cost of $30,000 per mile in the Mountain Section and to guarantee 75 per cent. of the cost of construction, whatever that might be, while also implementing any difference which might exist between the price realized for their guaranteed bonds and their face value. In connection with the payment of interest on the bonds, the Company practically asked for an abrogation of the agreement and for a simple stipulation as to interest being a charge upon the net earnings and then, in case of non-payment, an addition to the principle of the mortgage. The Government gave them instead five years of grace and substituted for foreclosure in case of default the placing of the road in the hands of a Trustee who should distribute the earnings—75 per cent. to the Government and the balance to the Company. As to the agreement that the Grand Trunk should acquire and hold for all time $24,900,000 of common stock in the enterprise the Premier described the demand for a modification as reasonable. The Government had decided to allow the sale of the stock provided, always, that the Grand Trunk retained enough to control the policy of the Grand Trunk Pacific Company. Such were the changes asked and those granted as described in the Premier's plain and obviously unadorned speech.

The Opposition Leader's Criticism and Railway Policy

Mr. R. L. Borden followed the Premier in a comparatively brief speech. He found little satisfactory information in the explanations made and declared that the Grand Trunk having first approached the Government in the matter, with a proposal to build from North Bay, the subsequent arrange-

ment as to the road from Moncton to Winnipeg was entirely the product of political exigencies. In an elaborate statement he placed the financial obligations of the Government at from $155,000,000 to $171,000,000—the difference turning on the price at which the bonds might sell—as compared with about $15,000,000 which was the total obligation of the Grand Trunk Railway Company. He expressed regret that none of the important amendments to the Contract proposed by the Opposition in the 1903 Session had been incorporated in the new agreement—nothing to prevent undue capitalization, to guard against watered stock, or to prevent speculation in the stock. To his mind, and he quoted largely from the report of speeches at the recent Grand Trunk meeting, it was absolutely essential for the Grand Trunk to get into the West and therefore quite unnecessary for the Government to give so much in order to induce them to go there.

Mr. Borden criticized at some length the character of a Contract which could be claimed—as had been the case by the Government in the preceding Session—to so strongly hold the Grand Trunk behind the project and then be found so elastic and inefficient when that Company discussed a change in current conditions. From this he passed to denunciation of the policy of partnership between the Government of Canada and a great corporation. Especially, he declared, was it undesirable that they should enter into partnership with a Corporation which had its interests so closely bound up with a United States port and commercial centre such as Portland, Maine. Turning to the modified agreement Mr. Borden criticized it as involving always "concessions to the Corporation and none to the country." The extension of time was not needed on the Western Division because at least 1,000 miles of that portion of the road could be completed in two or three years; the Government had made no surveys during the past six months despite their desperate haste in the Session of 1903; in the Mountain Section $37,500 a mile was being given in place of $30,000 merely because there was a temporary stringency in the money market; if the Railway went into the hands of a Receiver the Government would be responsible for maintenance and improvements without the power of foreclosure; under the new stock arrangement $12,000,000 worth would be put upon the market, used, perhaps, for speculative purposes and treated at a later date, in the fixing of rates, as capital at a fictitious value. The general financial position he summarized as follows:

> There are two partners in this enterprise, the Government, which is to incur obligations of not less than $150,000,000, of which a considerable portion must be paid in cash, and the Grand Trunk Railway Company which is to pay no cash at all, at least not for many years, and is to guarantee bonds to an amount less than $15,000,000. That is to say, that the obligation of the Grand Trunk Railway Company are less than one-tenth of the obligations which the country undertakes for the purpose of building this Grand Trunk Pacific line. But when it comes to a question of compensation, the Grand Trunk Railway Company which has

been in the background so far as support is concerned, comes to the front at once as soon as the question of compensation is mooted and it is to receive $25,000,000 of the common stock of the Grand Trunk Pacific for the support which it thus gives. May I be permitted to ask, Mr. Speaker, where the country comes in on that deal?

As to the taking over of branches on the Eastern Division the Opposition Leader thought that in the end the Government would be compelled to assume the unprofitable ones and the Company would retain the paying lines. Passing from criticism he proceeded to urge the utilization and improvement of the Intercolonial and its extension to Georgian Bay, and thence to Winnipeg; the purchase of the Canada Atlantic and the construction of a Government line "immediately" from Winnipeg to the Pacific Coast. "If we are to incur obligations to the extent of $150,000,000 why should we not go the whole figure and incur the other $14,500,000 of obligation and own that Line in the West which may at some future time bring a revenue to the people of this country of $15,000,000 a year. . . . If we adopted that policy we would own a national trans-continental railway in the true sense of the term. We would absolutely control rates. We would absolutely ensure transportation of our own products through our own territory and from our own seaports." Mr. Borden concluded by moving long and elaborate Resolutions outlining the Opposition view and policy which, after prolonged debate, were rejected by a normal party vote, on Apr. 20th, of 61 to 116. They may be summarized as follows:

1. Regret at the granting of further concessions to the Grand Trunk Railway and at the consequent removal of many supposed safeguards in the original Contract.

2. Regret that the Government in the period between the last and the present Session had not sought the counsel of competent and independent experts whose opinions could have been submitted to Parliament.

3. Declaration that the aim of the Government at this juncture should be the obtaining of cheap carriage for Canadian products, through Canadian channels, to Canadian seaports; the opening up of valuable territory; and the stimulating of inter-provincial trade.

4. Statement of the best means to obtain these objects as:

(a) To develop and extend the Government system of railways and to free the management thereof from party political control or interference.

(b) To secure absolute and thorough control of rates and traffic facilities in return for reasonable public aid to railway construction or improvement.

(c) To prove and extend the canal system, to develop the lake and river routes, and to equip thoroughly the national ports on the great lakes, the St. Lawrence and the seaboards.

(d) To perfect a system of elevator, warehousing, and terminal facilities.

(e) To secure under Government control and direction, or where expedient, under Government ownership, common haulage or running facilities where one railway can usefully accommodate several systems and thus ensure to the public more economical carriage and efficient service.

5. Denunciation of the present Contract as endangering the realization

of these aims ; as committing the country to a one-sided and risky partnership with two great Corporations which are given enormous benefits without compensating considerations ; as resulting in eventual diversion of Canadian trade to United States ports ; as pledging the Government to liability in construction of the costly part of the project and Company ownership of the profitable portion ; as enabling the Grand Trunk to acquire $25,000,000 of stock entitled to dividends which must be paid by the public without any security against higher rates on the Railway ; as probably postponing for a century any development in Canada of a national system of railways ; as neglecting the magnificent inland navigation system of the country and building hundreds of miles of railway through unknown and unexplored regions ; as imposing a rashly undertaken project upon the people and preventing development along other and more needed routes ; as giving complete control to the Company of enormous issues of bonds and stocks, in which the country is interested, without any kind of guarantee.

6. The policy of the Opposition was outlined as follows :

(a) The immediate construction and control by the Dominion of such lines of railway in the West, to the Pacific, as the enormous importance and increasing development of the great Western country require.

(b) The extension of the Intercolonial Railway to the Georgian Bay and thence to Winnipeg, and the extension and improvement in the Province of Quebec and in the Maritime Provinces of the Government system of railways.

(c) The development and improvement of canals and inland waterways and the thorough and efficient equipment of national ports and terminals on the Atlantic and Pacific as well as on the St. Lawrence and the great lakes.

(d) The thorough examination, exploration and survey of the country between Quebec and Winnipeg, with a view to the future construction of such lines of railway as may be found in the public interest.

Progress of the Government Ownership Idea in regard to Railways

Prior to, and immediately following this latter tentative declaration in favour of Government ownership the subject was largely discussed in the country—partly in connection with the municipal interests already referred to and partly in a general reference to possible political issues. It was pointed out that railways in Canada, constructed or under construction, had already received aid from the Dominion and Provincial Governments amounting to $218,805,143, together with 56,950,744 acres of land. On the one hand it was claimed that the Intercolonial, with its total cost of $76,000,000 and constant deficit, was a terrible example of the evils of Government ownership and control while, on the other side, it was contended that the cause of these difficulties was the fact of a portion of the route having no local traffic and the whole of the system being under partisan control instead of in the hands of an independent Commission. It was pointed out that many of the countries of Europe had gone in successfully for Government ownership and operation while in Australia the system had proved very successful and in South Africa had produced a profit. Speaking of the Australian system to the St. John *Sun* on Jan. 22nd the Hon. Henry Copeland, Agent-General in London for New South Wales, said:

With regard to railways in the Commonwealth of Australia the management under Government ownership is giving good satisfaction, better, he considered, than if owned and operated by Companies. Under the Federal Act residuary powers were vested in the States, and one of those powers was full control over railways. The railways are managed by Commissions appointed by the Government of each State, each Commission consisting of three members. The term of office is five years, and the salary in the vicinity of two thousand pounds. The appointments are made irrespective of party politics. Men are selected with a view to their competency for the position of Commissioner, rather than from a consideration of their services to a political party.

Mr. Copeland, in passing, referred to the excellent work done in Victoria by Mr. Thomas Tait, formerly of the Canadian Pacific Railway and now managing the Government Railways of that State. From other sources it appeared that these roads had been brought into good working and financial conditions under his management. As against these considerations it was, or might have been, pointed out that in European countries the Government control of railways was not likely to be of so partisan a character as in Canada or the United States and that physical conditions varied greatly between territories such as Australia or South Africa, which had few important waterways, and a land like Canada possessed of the greatest water stretches in the world.

In addressing the Dominion Grange on Feb. 2nd the Chairman, Mr. Jabel Robinson, M.P., made the following direct statement in this connection: "In my opinion," he said, "the Transcontinental Railway should be built and owned by the people of Canada, thereby relieving the settlers from the yoke of a wealthy corporation entirely beyond the control of the Government or the people. I am of the opinion that whenever public moneys are granted to assist in the building of railways a sinking fund should be created from the earnings and the people recouped for their outlay." The Toronto *News*, of Mar. 8th, was outspoken in denunciation of the Government for deciding a question upon which the people had expressed no opinion; for "helping private ownership in its resistance to public ownership"; for aiding corporate interests to "entrench themselves behind ramparts of privileges, contracts and bargains against a possible desire of the people to manage in their own way and for their own benefit the Railway they have built." On the other hand the Montreal *Gazette* expressed considerable Conservative opinion on Apr. 1st in the following paragraph dealing with the Intercolonial: "Owned by any other organization but a Government, it would be bankrupt. It is an effective exhibit both against Government ownership and the proposed construction by Government of another railway twice as long."

Meantime, in the House of Commons, many references to the possibility and desirability, or otherwise, of public ownership of railways were heard. The Hon. J. G. Haggart on Apr. 6th declared himself "not in favour of Government-controlled railways" but, when the Government contributed the whole cost of

building a road, it was surely better for the country to own it than to make a gift of it to a Company! Dr. Benjamin Russell declared the Intercolonial a political road, pure and simple, and said that while there was "a considerable, misty, unformed, popular sentiment" favourable to the policy of public ownership it was not a strongly entrenched opinion. Mr. Jabel Robinson (11th Apr.) expressed an independent Conservative feeling in favour of it; Mr. M. K. Richardson (12th Apr.) voiced a Conservative opinion that it was in the air, was being discussed all the time and was certainly coming; Mr. J. W. Daniel, the recent Conservative victor in St. John, thought a proper system of Government ownership would be popular and urged reform in the management of the Intercolonial; Mr. James Clancy, Mr. E. A. Lancaster, Mr. Haughton Lennox, Lieut.-Col. Kaulbach, and Mr. G. A. Clare, were amongst the Conservative members who came out squarely for public ownership.

Mr. Ralph Smith, a Liberal-Labour member from British Columbia (Apr. 18th) declared himself in favour of Municipal and Provincial Government ownership and of the principle from a national standpoint. But outside of Port Arthur, and Fort William, and Nelson, B.C,—owning and operating a few miles of railway—there was, he thought, no available proof that the people wanted this power in such Federal matters as the building and operation of railways. On the other hand Mr. A. A. Lefurgey, a Conservative member from Prince Edward Island, was assured (Apr.19th) of the very opposite condition: "To my mind, and I think I voice the opinions of possibly the majority of the independent electors of this country, the sentiment in favour of State control and ownership of railways is assuming immense proportions, and the time is ripe for the Government to step in and assume control of the transportation of this country before the transportation companies assume control of the Government. I say the time is opportune, and we are on the crest of the wave." He spoke of the enormous gifts and subsidies accorded to railways in the United States and amounting, all-told, from Federal, State, and local authorities to $1,000,000,000. If the Canadian average had been maintained there the sum total would have been 3½ billions. He quoted from the *Statesman's Year-Book* of 1898 to show that of the railway mileage of the world 87,834 miles were privately owned and 146,813 miles owned by Governments. Out of these 51 countries 42 had publicly-owned railways while only 29 had privately-owned ones. Since 1898 the French Government had acquired nearly all the lines in that country.

On Apr. 20th Mr. A. W. Puttee (Liberal) of Winnipeg reiterated his well-known views in favour of public ownership. While he did not think Mr. Borden's advocacy very clear-cut, he deprecated the Government's failure to adopt an inspiring policy which would have appealed to the patriotism, pride, and independence of all the people. Sir Wilfrid Laurier, in speaking on the same

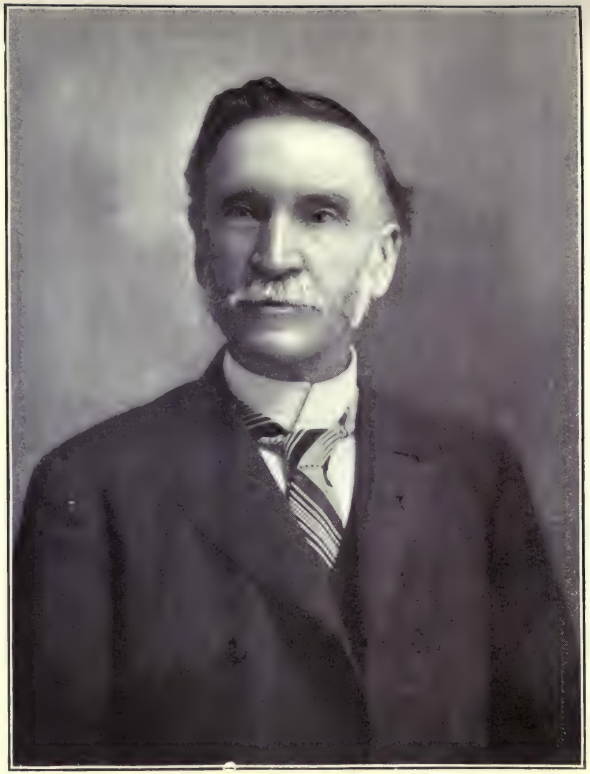
day, declared that until the secret of making the Intercolonial a financial success had been found it would be unwise to extend that Railway further than at the present time. Mr. T. O. Davis (May 3rd) took the line that a strong and powerful corporation like the Grand Trunk Railway was a better competitive element in the West than would be any Government-owned railway such as an extended Intercolonial—which might some day fall into the hands of the Canadian Pacific Railway. Mr. W. F. Maclean (May 16th) maintained that public ownership of railways had everywhere given the people relief from monopoly management and high rates. A Report of the Interstate Commission at Washington was quoted to prove that this policy reduced the cost of administration 50 per cent., improved the treatment of employees, and avoided waste in competition. Mr. R. H. Pope wanted the new Line built and operated by the people, through an independent Commission, beyond party influence and answerable only to Parliament.

Mr. Borden's Definite Position as to Public Ownership

On May 26th the Opposition Leader came out with a finally clear statement of his position in this connection. After reviewing the enormous subsidies in money and lands which the railways of Canada had received in the past and the profits of $28,583,000 which had accrued to private shareholders as a consequence, he pointed out that it was now too late to undo the past and impossible to interfere with the vested rights of the present. He then dealt with the $346,923,387 of ordinary stock, the $136,846,825 of preferred stock and the $424,100,762 of bonds issued by Canadian railways and much of which had to be considered when the rates charged the people of Canada were being fixed—although not 10 cents on the dollar of this sum may have been spent in actual construction. Mr. Borden did not deprecate the value of the services rendered by these roads to the country but he doubted, in the case of the Canadian Pacific Railway for instance, whether anything but good to the greatest number and in most marked form could have come from public ownership in the beginning.

After quoting, at some length, from the work of Mr. J. S. Jeans and the volumes by Edwards on *Railway Nationalization* and by Waring on the *State Purchase of Railways,* in order to prove the useful and profitable operation of railways by the State in Belgium, Russia, Germany, Australia, New Zealand, India and France, Mr. Borden explained his own position. He understood the difficulties and fears in the way of Canadian operation of railways. " But, Sir, I believe that by the time we would have this road constructed from the Atlantic to the Pacific the growing sentiment of the people of Canada would have reached the conclusion that that road, constructed by the people of this country, should not only be owned but operated by them." It was for the people to decide " whether Canada shall have a Government-owned

THE RT. HON. SIR HENRI ELZEAR TASCHEREAU
Chief Justice of Canada; appointed to the Imperial Privy Council, 1904.



THE HON. ADOLPHE BASILE ROUTHIER, LL.D., D.C.L., LIT.D.
Appointed Chief Justice of the Superior Court of Quebec, 1904.

railway or a railway-owned Government." The sanctity of contracts must, of course, be conserved and the legitimate rights of the promoters of this Government scheme respected. They should not be put to any loss in case of a change of Government but at the same time the country should not be compelled to pay them any prospective or speculative profits. He protested strongly against the Government's alleged attempt to tie the country up to this great financial scheme without popular sanction or approval.

We do not propose that the voice of the people shall be stifled, and we declare that if the Conservative party is returned to power at the next general election, it will enact such legislation as will enable the will of the people to prevail over the will of this Corporation, however great and however powerful it may be. The people of Canada, if they realize their own strength, will be greater than any corporation—greater than all corporations. They may not have the same organization or the same capacity to combine, but their power when exerted to the full is at all times irresistible. If it is the will of the people of Canada, as declared by their voice at the next election, that another railway from ocean to ocean shall be built, owned, and controlled by the people of Canada, and not by the Grand Trunk Pacific Railway Company—if it is the will of the people that we shall assume not only nine-tenths but ten-tenths of the obligations necessary to construct another trans-continental road and by that means own and control a national rail highway from the Atlantic to the Pacific—the Conservative party if returned to power, is prepared, in accordance with the will of the people so expressed, to place upon the statute-book of Canada such legislation as will enable that result to be accomplished with the least possible delay.

In conclusion, Mr. Borden moved a Resolution declaring that this measure proposed to ratify agreements imposing enormous obligations upon the country and very small burdens upon the Company and asserting that "this House is of opinion that instead of ratifying the proposed agreements it would be more in the public interest that the Dominion should assume the whole obligation necessary for extending across the continent the present Government system of railways; thereby completing a trans-continental railway from the Atlantic to the Pacific entirely owned by and under the control of the people of Canada." The Hon. Mr. Fielding, in following, did not mince his words regarding public ownership. "We are in our scheme opposed to the principle of Government ownership in the fullest sense of the word." They were also opposed to Government operation of railways. He felt, however, that if the Leader of the Opposition would take ground fairly and squarely in favour of Government ownership and operation of the railways of this country, it would introduce a very big question and one upon which new lines of policy and new parties might well be formed.

He believed the feeling in favour of municipalization and nationalization of public utilities was growing steadily but he was also sure that it had not reached a stage where the Government would be warranted in applying it to any great piece of general policy. Reference was then made to the hostility of the Conser-

vative Montreal *Gazette* to the public ownership idea and quotations of a similar character given from speeches by Sir John Macdonald and Sir Charles Tupper. Mr. Fielding also pointed out that Conservative members such as Messrs. Cochrane, Ganong, Ball, Ward, Wilmot and many others, as well as Mr. Tarte, had voted against Mr. Puttee's Resolution of the 1903 Session in favour of the general principle of Government ownership of railways.

One of his reasons for opposing the policy was the fact that a Government could not manage profit-making lines of business such as hotels and other enterprises which a private corporation like the C. P. R. could go into and make money out of. The Hon. Mr. Emmerson followed and defended his position in accepting the present project in place of what he had advocated in the preceding Session—the extension of the Intercolonial into the Western wheat-fields—on the ground that Government construction and ownership of a line from Moncton to Winnipeg was a very considerable extension of the principle. He quoted Sir Mackenzie Bowell as another Conservative leader opposed to this principle. Mr. Borden's motion, after some other brief speeches, was voted upon and lost by 105 to 59.

Public Opinion and Mr. Borden's Policy

The day following the Opposition Leader's speech a document appeared in the Winnipeg papers signed by 21 more or less prominent citizens—stated by the *Telegram* to be Liberals—and protesting against the Grand Trunk Pacific proposals on the ground of assuming an enormous liability for the purpose of "enriching promoters." Their remedy for the situation was public ownership of railways operated by a non-partisan Commission, gradual construction in specified districts, reduced rates, ample car-supply and prompt shipments. The independent Ottawa *Journal* approved Mr. Borden's declaration. "The question (May 28th) is between Government ownership and Government presentation of vast public assets and privileges to private ownership." The *Weekly Sun,* Toronto, of June 1st, thought that the most important issue since Confederation had been placed before the people when "Mr. Borden irrevocably committed his party to the principle of public ownership of railways." The Winnipeg *Tribune* felt assured that if the Opposition Leader won in the general elections Canada would receive the great boon of public ownership in this connection. The Charlottetown *Guardian* (June 4th) congratulated Mr. Borden upon discarding his original plan and adopting this policy. "If the Government is to build and own the road from Moncton to Winnipeg, and guarantee most of the money for the balance of the road from Winnipeg to Port Simpson, why not build and own the whole? Of course it is a stiff proposition and a costly one, but the feeling in favour of Government and municipal ownership of public franchises is undoubtedly growing rapidly."

The Hamilton *Herald* declared the speech and policy to be "statesmanlike and patriotic," but doubted whether the pro-

posals were prudent from the lower view-point of party interests; and believed that the Conservative party as a whole were less in favour of Government ownership than the Liberal party. The Toronto *News,* on the other hand, thought the contrast between the Government and Opposition policies was dangerous to the former. In any event the speech changed the whole face of Canadian politics and would determine the result of the next election. The Toronto *Telegram* approved the policy warmly. A sidelight upon the Hamilton *Herald's* opinion was perhaps to be found in the publication a month later of statements by financial men in Montreal—some Conservatives, some neutral—opposing or deprecating the principle of Government ownership. They came from such men as Senator Sir George Drummond, Mr. George E. Drummond, President of the Board of Trade, Mr. H. S. Holt, Hon. J. D. Rolland, M.L.C., Mr. Hugh A. Allan and Mr. E. S. Clouston, General Manager of the Bank of Montreal.

Passing from the independent view to that of the hard and fast party press it is perhaps unnecessary to enlarge very much. The question of assuming the main liability for construction of a great railway and then giving half of it to the Grand Trunk, with control over the other half, was one side; and the use of existing transportation and financial agencies to carry through a great enterprise in which the Government only appeared as an endorser for construction, and avoided the far greater liability of operation and management, was the other. A rift in the Conservative press was marked by the position of papers such as the Hamilton *Spectator,* the Ottawa *Citizen* and the Montreal *Gazette* which took the line that this was not a question of public ownership in the abstract, or in general application—which they might or might not favour—but was the only alternative to the Government's extravagant and dangerous proposals.

The Toronto *World* and other papers, however, accepted the principle as a good one in many other cases and an arguable one in a still greater number. The Liberal press took advantage of this somewhat academical difference of view to claim that the Opposition was not sincere in its support of Mr. Borden's policy, but was only using it to defeat or hurt the Government and with no intention of practical application. Incidentally they charged Mr. W. F. Maclean of the *World* with having forced his policy upon the party and with responsibility for the coming wreckage. They were practically unanimous in support of the Government proposal on the ground of its combining Government ownership of part of the Line with safe construction, financial management and business-like operation of the whole. Some Liberal organs, such as the Ottawa *Free Press* (June 6th) denounced Government ownership and all its works. It was socialistic, and it might be a great corrupting influence upon Governments. It would kill individual enterprise and ambition, produce an inert and mentally sterile people, paralyze the growth of Canada and prove to be

merely a product of the dreamer, the demagogue and the agitator combined.

Discussion of Mr. Blair's Railway Memorandum

Incidental to this controversy was the publication in the Montreal *Star* on Apr. 13th and the reading in the House of Commons on the following day, of a document purporting to have been written by the Hon. A. G. Blair on Dec. 10th, 1902, when he was still acting as Minister of Railways. It was marked "confidential" and was evidently a private memorandum prepared by him for the consideration of the Cabinet. Its terms were never repudiated either by him or by the Government. Mr. R. L. Borden had previously quoted from it in the House on Apr. 5th and a discussion had then taken place as to how it had come into his hands. The Government speakers deprecated such use of a confidential Cabinet document and alleged that it must have been stolen. Mr. Borden was out of the House when these remarks were made but on Apr. 15th offered a personal explanation. He declared that no civil servant had stolen it or had approached him or been approached in the matter. "I got it from a gentleman who was not in the confidence or employ of this Government," he said, and without solicitation, or previous knowledge, or restriction as to use. He did not say how it was originally obtained, however, and upon this point the Premier was sarcastic in his comment. "No member of the Council gave out that Report for that would have been a violation of the oath of secrecy which every member takes on joining the Council. My Hon. friend said that Mr. Blair did not publish it. But it is published. Who then published it, who then gave it away?

Passing from this personal issue—which has never been explained—to the document itself it may be said that the opinions were largely those expressed by Mr. Blair in his speech on Aug. 11th, 1903. It was termed by himself a defence of Government ownership of railways and in it he first pointed to the strong Canadian argument against that policy exhibited in the "unsatisfactory showing and unsound system" of the Intercolonial. This was answered by the fact of that road being built for reasons of territorial unity and defence rather than for commercial considerations and as, therefore, presuming a roundabout and tortuous course through (in part) a sparsely settled and unproductive country. Despite these financial and natural difficulties the Intercolonial had secured to those who used it "moderate and stable rates of transport absolutely free from discrimination." In Australia, he went on to say, Government ownership and management of railways, amidst partisan conditions not dissimilar to those of Canada, had been recognized and exclusively adopted and had proved almost uniformly successful—yielding a return of from three to five per cent. on an enormous capital outlay.

Coming back to the Intercolonial and its lessons to the public he declared that though not a fair test of public ownership it

approached nearer the ideal of "highest efficiency at the lowest cost" than any other road in Canada. Politics had never seriously affected or hurt its management. They could only injure it in the future by preventing its proper extension into the West and its "absorption of desirable branches as feeders for the main line." The extension to Montreal had done much for the Railway and he wanted to see it carried on to a port on the Georgian Bay where it could connect and co-operate by water transport with the Canadian Northern. Such a policy would strengthen the Liberal party in Ontario, as the construction of the Temiskaming Line by the Provincial Government was already doing. It would also meet the cry for Government ownership and competition in the West. He strongly favoured the acquisition of the Canada Atlantic Railway as the best means of making this extension. Good results would follow:

> From the Georgian Bay to Montreal the Canada Atlantic Railway line traverses a country which is not affected by water competition, the business upon which is increasing every year, and will continue to increase. Having traffic arrangements with such a railway as the Canadian Northern Railway, the Intercolonial Railway would reach a large traffic-originating section of the western country and would become one of the large produce-carrying, exporting and importing lines in the country. From the purely Canadian national point of view the Intercolonial would then have advantages over any other railway in Canada. Its traffic would find an outlet during the summer months at Montreal and Quebec, and during the winter at Halifax and St. John, and there is good reason to believe that it would give the two Atlantic seaports (the Canadian Pacific also serving St. John), all the business they could conveniently handle for some time to come; and, moreover, from the point of view of its paying prospects, the outlook is in the highest degree encouraging. At present there are 400 miles of good paying railway at the eastern end of the Intercolonial Railway. Extension to the Georgian Bay, by way of the Canada Atlantic Railway, would give 300 or 400 miles of profitable railway at the western end, and, as has already been pointed out, these two ends together would be able to carry, financially, the less productive and intervening section and afford a substantial surplus towards paying interest on the capital outlay.

Discussion of the Project in Parliament—the Liberal View

Between Apr. 5th, when the Premier introduced his amending measure, and May 26th when the third reading passed the House of Commons by a majority of 46, the Grand Trunk Pacific project was discussed in a thousand forms and from very varied standpoints. The Government's position naturally comes first and both can only be lightly sketched here. The speech of the Hon. Mr. Sifton on Apr. 6th was notable in its argument and analysis. He claimed that the Government control of rates was absolute, proved, apparently, that the new road would have abundance of freight and traffic and defended the financial part of the scheme. In ten years from completion the additional sale of public lands would bring in $60,000,000. In analysing Mr. Borden's plan he claimed that it would confine the Grand Trunk, practically, to two Provinces and forever condemn its 4,000 miles

of road to work for American connections and seaports; that it would leave 1,200 miles of northern Quebec and Ontario unopened and without settlement or transportation; that it would create a line 300 miles longer than the Government project, multiply by 10 or 20 times the annual deficits of the Intercolonial and humbug the Western farmer with a statement that he was really getting a Government road when he was not. Mr. F. B. Wade (Apr. 7th) in dealing with fears as to the Grand Trunk guiding the freight of the new Line to Portland declared that he could not imagine a Canadian so base at heart as to deliberately ship his goods to Liverpool *via* Portland when he could do so from St. John or Halifax at exactly the same rate. He also claimed that the bulk of the Canada Atlantic traffic came from Duluth, Chicago and Milwaukee and might be lost through some change in United States policy. Lieut.-Col. A. T. Thompson (Apr. 11th) declared the project to be of great Imperial importance as a new British road across the Continent. He also described it as giving employment to thousands of men in construction and to other thousands in supplying requirements; as a national horn of plenty which would give nearly every Province distinct benefits. Prince Edward Island would sell greater quantities of its special products; New Brunswick would have an increase in manufactories and shipping for its harbours; Quebec would have five counties developed and its capital city made into a great seaport; Manitoba and the Territories would get railway facilities and certain development; British Columbia would have one of the greatest of Pacific ports in time; Ontario would share with Quebec in having 800 miles of new railway through a rich but unopened region and would receive direct communication by a shorter route for the most of its towns and hamlets with the future great and growing markets in the West.

At a not distant time, the Hon. Mr. Lemieux believed (Apr. 12th) that Canada would capture the trade of China and Japan and, meanwhile, this road would give the country the trade of the Yukon and of the vast region between Lake Superior and James Bay. Another Liberal speaker, Mr. M. K. Cowan, compared at length the Conservative Government bargain with the Canadian Pacific Railway and the present one with the Grand Trunk Railway—greatly to the advantage of the latter. There was no land grant in this case and not a dollar in cash subsidy, as compared with 25,000,000 acres given the C. P. R. and $25,000,000 in cash with lines of railway which had cost $37,000,000. There was now no monopoly clause and no drawback arrangement regarding duties; no exemption of property or of land grants from taxation. On the other hand the Grand Trunk Pacific would open up 3,300 miles of territory as against 2,250 miles which the Canadian Pacific Railway helped to develop.

Mr. William Roche (Apr. 15th) rather improved upon Colonel Thompson's picture of its practical benefits to the people. It would give Cape Breton the furnishing of coal, iron, steel and bridge-

work; Halifax increased shipping and improved terminals, and Nova Scotia generally the supply of stores, lumber, cars and machinery. It would give St. John increased trade shipping, and New Brunswick a similar benefit in the supply of its products. To Quebec it would facilitate settlement of its empty regions, utilization of its forest and mineral resources, through traffic on a great railway, increased commercial operations, supplies of various kinds, increased industrial and labour opportunities. Ontario would get more tall chimneys, added traffic to its present railways and improvement of farm lands in value and product. The West would have the destruction of monopoly, low freight rates, increased settlement, adjustment of balance of trade with the United States, enhanced interchange with the other Provinces. British Columbia would have its great resources in lumber utilized, a fleet of ships along its coast and sweeping expansion of trade through its territory.

This subject was also developed by Mr. J. H. Sinclair of Nova Scotia (Apr. 18th) who calculated that $10,000,000 would be expended in wages and material—the most of it coming to the Maritime Provinces. As to the Eastern Section of the road the country was the landlord, the Grand Trunk Pacific a tenant. "We own the road, control the rates, take the rent, while they run the road and look after the details of working it." Mr. Ralph Smith read a telegram from Mr. H. Dallas Helmcken of Victoria, B.C., President of the local Conservative Association, to Senator Templeman, dated Aug. 19th, 1902, saying: "Railway project warmly appreciated here. Push her through." Speaking on Apr. 20th Sir Wilfrid Laurier pointed out obstacles to the acquisition of the Canada Atlantic—the chief one being that Government control would involve the loss of trade carried by water from one American city to another, or else the acquisition by Canada of a United States fleet trading under an American register, which he declared to be inadmissible. He believed that the Grand Trunk with its new connections and greater trade would be able to meet the liabilities of the Western Section and pay three per cent. upon the Eastern Section. In ten or twenty years Canada would have another Trans-continental Railway, every inch on Canadian soil, with immense terminals on the Atlantic and Pacific and the trade of Asia and Europe flowing freely across it. The Premier spoke again on May 5th and claimed that the road was not antagonistic but complementary to the development of the waterways.

On the last day of the debate the Hon. Mr. Fielding spoke at length. He thought that in spite of the long haul, the Maritime Provinces by this project would "get some of the grain trade of the West." On a mileage basis he estimated Mr. Borden's scheme as meaning a carriage of 2,256 miles from Winnipeg to Halifax and by the Government project a carriage of 2,061 miles. He gave to Parliament an important document which the Opposition claimed should have been furnished to the public long before—like

the Blair Memorandum and the Grand Trunk Pacific special proceedings. It was the original proposition of the Grand Trunk to the Government, dated Nov. 3rd, 1902. In it Messrs. George A. Cox, C. M. Hays, and William Wainwright petitioned the Premier and his Government to aid their project of a road from North Bay to the Pacific Coast in order to meet the requirements of the rapidly-growing business of the North-West " which might otherwise find its outlet through American channels." They made this proposition:

1. That the Government grant a cash subsidy of $6,400 per mile of railway and 5,000 acres of land per mile.
2. That payment for carriage of mails be calculated upon same basis as with the Canadian Pacific Railway.
3. That rails and material of every kind should be admitted free for use in construction—if not obtainable upon equally good terms in Canada.
4. That the railway and all stations, buildings and other property; all rolling stock and appurtenances to construction and working of the road; together with the capital stock of the Company; should be free of taxation by Dominion, Province or municipality.
5. That the lands of the Company, until sold or occupied, should also be free of taxation for 20 years after the grant thereof from the Crown.

Mr. Fielding compared these proposals with the terms afterwards accorded and pointed out that this initial project was for a road 2,492 miles in length with $15,948,800 in cash subsidy and 12,460,000 acres of land, worth at present prices $37,380,000—a total of over $53,000,000 for a Line which would not have come within 1,000 miles of the shores of the Atlantic.

Discussion of the Project in Parliament—the Conservative View

Apart from the question of Government ownership the Opposition, generally, put up a vigorous fight against the Government railway policy. The Hon. Mr. Haggart (Apr. 6th) declared that the Grand Trunk Railway could never have conceived such a wild scheme as carrying freight from Winnipeg to Quebec by rail, or worse still, from Winnipeg to Moncton. He did not believe it could be done in competition with the water routes and referred to Germany and Russia where, though gridironed with railways, they were now building canals to cheapen rates; and the United States where they were spending $100,000,000 on the Erie Canal for a similar purpose. "The solution of the transportation problem in this country is: railways to the nearest point of the great water communication; larger canals; bigger ports; facilities at the ports; and a well-lighted channel from Montreal to Quebec." Mr. F. D. Monk (Apr. 7th) claimed that so far as Quebec was concerned the rich and important valley of the Ottawa, the valley of the Lièvre and the valley of the Rouge, containing millions of acres awaiting development, together with the fertile region north of Montreal and the rich valley of the St. Maurice, were either not touched or else merely fringed by the route of the new project. To the valleys of the St. John and the region back of Quebec, which the Trans-Canada project would

have developed, this Railway would give nothing. "What we require in the Province of Quebec at the present time are roads of penetration into these regions, feeders that will put them into communication with the great centres." It would be impossible to control the routing of freight, though the Contract went as far as it could, and only Government ownership could really secure control of rates.

Mr. W. B. Northrup (Apr. 7th) declared that "every member of the Opposition was in favour then (when the project was mooted) and is in favour now, of assisting the Grand Trunk Railway to build west from North Bay." Mr. George Taylor (Apr. 12th) thought the new project, especially from Winnipeg to Moncton, would be a competitor of the national waterways. It would be better to follow the United States example at Duluth and Buffalo, and other points, by erecting elevators and aiding nature to build up their great water routes and seaports. Mr. J. W. Daniel (Apr. 12th) suggested that the expenditure of part of the proposed outlay on improvements in the Intercolonial system and the nationalization of the ports of St. John and Halifax would be a wiser policy. He thoroughly believed that the Grand Trunk Pacific would build up Portland, Maine, instead of Canadian ports. Mr. S. E. Gourlay declared that a judicious expenditure of $4,000,000 on railways in Nova Scotia would make it one of the wealthiest and most productive provinces in the world. Every pound of freight placed on the cars at Winnipeg was now in danger of diversion to United States ports like New York and Buffalo, or Boston, until it reached Montreal and then of Portland until it passed Quebec. The danger would be infinitely greater under this Grand Trunk policy. Mr. E. A. Lancaster (Apr. 13th) proclaimed the Opposition policy to be the use of the waterways and railways together—a partnership and harmonious co-operation.

It was claimed by Mr. W. J. Roche (Apr. 18th) that every competitive authority had agreed that the Eastern Section could never carry grain and Mr. R. A. Pringle pointed out that if grain can now be taken by water from Port Arthur to Quebec at from 3 to 3½ cents per bushel and cannot be hauled by rail from Port Arthur to Montreal under 15 cents a bushel, the new road could hardly be expected to compete with the waterways. Mr. David Henderson developed this point by figuring that the Grand Trunk Pacific would be unable to carry grain from Winnipeg to Quebec under 23 cents a bushel or double the rate of a combined water and rail route. Mr. G. O. Alcorn (Apr. 20) claimed that Ontario, while paying three-fifths of the cost, would only have a line running some 700 miles through a wilderness remote from the business centres and interests of the Province.

Colonel Sam Hughes maintained (Apr. 21st) that the only way to ensure Canadian freight for Canadian roads and ports was by having a Government railway that would have no interest in the reverse policy. "The Grand Trunk Pacific will have its agents

in the West and, even if the goods are shipped to Quebec, the Grand Trunk is going to get a rake-off some way or other, and they will see when the goods get to Quebec that they be sent over the Grand Trunk Railway to Portland which is about 150 miles nearer to the sea-board than the nearest Canadian port by the shortest route you can take." Mr. Borden claimed, in this connection, that every condition of the Contract was fulfilled when the Grand Trunk Pacific had carried its freight to Quebec. It could then be turned over to the Grand Trunk route to Portland. He also pointed out that the distance by the new Railway from Quebec to Halifax would be 586 miles and from Quebec to Portland 311 miles and asked how there could be anything else but a diversion of the traffic to the United States port—especially when the Grand Trunk was not bound by any specific contract affecting the Grand Trunk Pacific.

If, asked Mr. James Clancy, a Western shipper were told that he could get a carload of grain to Liverpool from 12 to 24 hours quicker by consigning it *via* Portland, Maine, would he not do so? The traffic would naturally be diverted to the shortest and most profitable Grand Trunk route. So with St. John, to which the distance was 489 miles as against that to Portland above-mentioned. Mr. E. F. Clarke (Apr. 26th) amplified this argument. He believed that between Winnipeg and Port Arthur every pound of Grand Trunk Pacific summer freight would be diverted to Grand Trunk Lake carriers and thence over the Ontario system to Montreal and Portland. In the winter there would only be an occasional instance of freight going down to St. John or Halifax. He moved an amendment favouring the submission of the whole project to the people for consideration before Parliamentary sanction be given to it. This was lost by 66 to 47 votes. Mr. A. C. Bell described the growth and position of the Canadian Northern system which would soon be a second trans-continental railway making the present project, to some extent, unnecessary or at least ahead of the times. The scheme would also burden the people of the Eastern Provinces with liabilities of $30,000,000 or $180 per family with very little return in sight.

Speaking on May 3rd Mr. Tarte maintained that in summer the grain would go by water from the head of Lake Superior and in winter by a combined rail and water route. Mr. W. B. Northrup claimed that if the new line did pay its way, as hoped by the Government, the Grand Trunk would thus have control of a trans-continental road that had not cost them a cent. If it turned out a failure the worst that could happen the Grand Trunk was a liability of $15,000,000 not accruing for 20 years. Mr. F. D. Monk (May 19th) believed that the extension of the Intercolonial to the Georgian Bay, with branch colonization lines through the Province of Quebec, would have been the ideal policy. Mr. R. H. Pope went into elaborate calculations as to subsidies, loans, stocks, and bonds with which Canadian railways were now loaded to the

amount of $1,098,000,000 or $66,000 per mile—upon which interest was being paid and by which transportation rates were being controlled. It was time to call a halt. The Grand Trunk Railway had, he claimed, received in subsidies, loans, municipal aid, etc., $75,614,208 from the people of Canada and had, therefore, nothing to complain of. In the United States it was calculated that public ownership of railways would save the nation about $160,000,000 a year. A more than proportionate result would have followed here.

Conservative amendments to the measure were presented to the House in large numbers from the very beginning of this discussion but, with one or two exceptions, were voted down by the Government supporters either because the suggestions were deemed superfluous, or were claimed to be practically embodied in the Bill, or were to be legislated upon separately as in the Alien Labour matter, or were opposed to Government policy. The movers of these Resolutions included Messrs. R. L. Borden, S. Barker, E. F. Clarke, R. Blain, A. C. Bell, W. J. Roche, G. O. Alcorn, James Clancy, W. B. Northrup, T. S. Sproule, W. H. Bennett, A. E. Kemp, T. Earle, E. Guss Porter, R. A. Pringle, J. G. Haggart, T. Chase-Casgrain, J. R. Lavell, F. D. Monk, D. Henderson, H. Lennox, Geo. Taylor, R. H. Pope, A. B. Ingram, and W. K. Richardson. The following is a brief synopsis of the principles thus urged, or proposals made, by the Opposition:

1. Government construction of the entire Railway.
2. Consultation of the people before passing the measure.
3. Obliging the Grand Trunk Railway Company to pay par for the common stock acquired from the Pacific Company.
4. Compelling the Grand Trunk to supplement its admitted control of the Pacific Line with an obligation to carry out the engagements of the latter.
5. Providing that rates for carriage between Canadian inland points should not be greater than the rates charged between similar points by any route not wholly Canadian.
6. Providing that rates on the Grand Trunk Pacific should not exceed the lowest rates between corresponding points on the Canadian Northern.
7. Enacting that the Grand Trunk should not in any way, directly or indirectly, permit, advise, or encourage, transportation of traffic by routes, or at rates, other than those provided in the Contract.
8. Declaring that the Government should have power to enforce a fair apportionment of rates between the Grand Trunk and the Grand Trunk Pacific systems.
9. Proposing that the Grand Trunk rental of the Eastern Division should be secured upon the property of the Grand Trunk Pacific.
10. Proposing that the Grand Trunk Pacific Company should pay a fair rental for any temporary lease of the Line from Winnipeg to North Bay.
11. Asking the Government to take power of supervision over any agreement between the two Companies respecting the issue of stock by the Grand Trunk Pacific, in order to prevent the creation of watered stock.
12. Proposal for a Government share in the common stock ($25,000,000) of the Grand Trunk Pacific Company in proportion to the aid given by the Government to the enterprise.
13. Objecting to the employment of Alien labour except where the Department of Labour might find it necessary.

14. Declaring that the stock of the Grand Trunk Pacific should not be placed upon the market unless issued payable at par.

15. Providing that any complaints of diversion of traffic to United States ports by either of the Railways should be investigated by the Railway Commission, and be reported to Parliament for action.

16. Declaring that the Prairie Section should be completed within 4 years of the passing of the Act.

17. Providing that at the end of 50 years, if the Grand Trunk Pacific insisted on the Government taking over its unprofitable branches on the Eastern Division, the Government should have power to take over all or any of the other branches.

18. Proposing that power of expropriating the Railway from ocean to ocean, upon payment of fair compensation, be expressly and distinctly placed in the hands of the Government for use should the Contract be broken.

Alien Labour and the Grand Trunk Pacific

The question of employing aliens—chiefly Americans—in the initiating of this project raised in Parliament and the press a discussion of the general subject of alien labour. On May 13th the Opposition Leader in the House of Commons mentioned certain rumours as to the employment of a large number of aliens on Grand Trunk Pacific surveys and engineering work in the West and asked if the Government had had any correspondence in the matter. Sir William Mulock read a number of letters in reply. The first one, dated Apr. 19th, was addressed to Mr. W. Wainwright, Comptroller of the Grand Trunk Railway. It stated that the attention of the Government had been called by the Western Secretary of the Institute of Amalgamated Engineers to the fact of the Grand Trunk Pacific employing a number of American engineers in surveys, etc., despite the availability of competent and experienced Canadians. They had been asked to enforce the Alien Labour Act in the deportation of these men and a list of 15 persons was given of whom Mr. G. A. Kyle, in Winnipeg, was afterwards the best known. Not receiving an answer to his inquiry as to whether this statement was correct or not Sir William, on Apr. 26th, wrote Mr. C. M. Hays repeating the charge already made, intimating that various Ministers had received similar complaints, stating that the explanations and denials received by them had not been satisfactory and adding that the Government had now authorized him as Minister of Labour to insist upon a prompt settlement of the matter. He concluded by hinting at the appointment of a Commission of Inquiry and by asking for a clear statement of the situation.

On the same day Mr. Hays replied that he had written to the Premier about the matteer. In this letter, as afterwards appeared, the General Manager of the Grand Trunk gave a list of the employees in question and stated that 96 per cent. of them were Canadians. This statement was not considered satisfactory, however, and on May 3rd Sir William repeated his request for more detailed particulars—especially as to Canadian applications which may have been refused. After stating that much should accrue

to Canada in the way of colonization from the new road he went on to say that: "Nothing could more effectively defeat this purpose than the employment by the Grand Trunk Pacific of citizens of another country, whose interest in Canada is not an abiding one and who may be expected to leave the country as soon as the occasion of their temporary employment is at an end." On May 7th the Minister wrote Mr. Hays that he had received a further list of 20 names from his former correspondent in Winnipeg, together with one of 15 men lately brought from the States, and facts about several competent British subjects who had been refused appointments. Mr. Hays' reply turned, in the main, upon the fact that these appointments and rejections were not dealt with at the general offices but by the responsible Division Engineers and that further time would be required to obtain the information desired. Sir William's reply, on May 13th, pointed out that he had given names and specific data and that it was about these that he wanted the facts and as soon as possible. In commenting briefly upon this correspondence he declared himself unable "to understand how the Grand Trunk Pacific can justify the employment of non-residents of Canada, non-British subjects, to the exclusion of Canadians." He thought the information should have been furnished ere this and if it were not soon done the Government would find other means of ascertaining the facts.

Mr. E. F. Clarke followed with a vigorous attack upon the Government in this connection, upon the administration of the Grand Trunk Pacific, and upon the Minister of Labour for doing nothing between his receipt of a memorial regarding the matter in January from the Engineers and April when his first letter was written. Where Canadians were employed it was, he declared, merely as chain-men and axe-men while all the well-paid and superior positions went to aliens. He gave exact data in this respect furnished by Mr. G. L. Griffith (Secretary of the Amalgamated Engineers), who on Apr. 2nd stated that: "In the meantime we have in Canada a large number of Canadian and British engineers with their own complete equipment of engineering instruments—experienced railway men out of employment, with their families almost in a state of destitution." Mr. Griffith declared that the $200,000 spent in surveys during March had been practically wasted. "These surveys, we maintain again, are almost worthless through inexperience in the class of work required, mismanagement and ignorance of the country, its topography and our systems of surveys." He also accused the Canadian Pacific officials of a skilful weeding out of Canadian and British engineers and the appointment of Americans instead. Another charge made by him was that these alien officials on the Grand Trunk Pacific were keeping United States manufacturers advised of future requirements and thus cutting Canadians out of their own special market. Mr. Clarke concluded his summary of conditions and quotations as above by charging the Department of Labour with gross neglect of

Canadian interests and a lack of sympathy with Canadian engineers and workmen in the West.

Sir W. Mulock replied briefly. "I do not sympathize with Mr. Hays in this matter. On the contrary, all my sympathies are the other way. I believe in the enforcement of the law in every reasonable manner, so that people resident in Canada will receive the benefit of employment to be paid for by the public money of Canada, if they are fit for the work; and until it can be shown that there is not sufficient labour in Canada of the right quality, the presumption is that we are quite equal ourselves to perform all the public works for which our people have to pay." A debate followed in which the subject took a more or less partisan line. Mr. F. Oliver, a Western Liberal member, intimated that some of the qualified, capable engineers in such a great enterprise might very profitably come from the United States and Mr. J. B. Morin, a Quebec Conservative, pointed out that American mines and railways often brought experienced engineers from England or Germany. On May 25th Mr. G. A. Clare introduced an amendment to the Grand Trunk Pacific Bill which would, he claimed, protect competent engineers of British allegiance in Canada, prevent discrimination against Canadian contractors and manufacturers in the providing of supplies, neutralize the United States sympathies of many leading officials on the Grand Trunk staff and prevent such incidents as they had recently been discussing. Subject to the defined authority of the Minister of Labour, when he found that it was quite impossible to obtain labourers, etc., in any specific case, his proposal was as follows:

> **In all cases where persons are employed in, or in connection with, the Railway preference shall be given to British subjects by birth or naturalization. It shall be unlawful to employ any person in, or in connection with, the surveys for or the construction of the said Trans-continental Railway, or any part thereof who is not a British subject by birth or naturalization, or who, being an alien, has not for one year immediately preceding such employment been a *bona fide* resident of Canada.**

The amendment was rejected by 50 votes to 86 after considerable discussion which may be summed up on the Government side in Sir W. Mulock's announcement that a Commission of Inquiry composed of Judge Winchester, of the County Court of York, had been appointed to investigate the charges against the Grand Trunk Pacific and that the Government would introduce, later in the Session, a measure more comprehensive and effective than Mr. Clare's proposals and covering all railways instead of one. Mr. H. Bourassa introduced in the debate a characteristic suggestion that protection should be accorded the Canadian engineers against British as well as United States competitors. The Opposition pointed out the many competent engineers, etc., graduating every year from Canadian Universities; the fact that the United States never hesitated in its policy of debarring alien workmen; the recent decision of Mr. Justice Duff in British Columbia stating

the existing Canadian Alien Labour Act to be unworkable; the fact that coveted positions in the British Civil Service, Army and Navy, were more or less open to Canadians and that there should be some reciprocity here; the employment of many Americans at Sault Ste. Marie, in spite of the law, together with various other infractions of the same law. Sir W. Mulock's measure amending the Alien Labour Act was subsequently introduced and passed but was thrown out in the Senate.

Judge Winchester went to work promptly in the Inquiry with which he was charged and at Montreal, Toronto, Kingston, Winnipeg, Edmonton, Regina and other points went with apparent thoroughness into the matter—Mr. H. M. Mowat, K.C., of Toronto acting for the Crown in the prosecution of the investigation. At Montreal, on June 1st, Mr. Hays stated that the subordinate engineers were usually appointed by Mr. J. R. Stephens, Assistant Chief Engineer (an official originally from the United States) who chose the division engineers, heads of surveys, and other engineers, subject to the General Manager's approval. His own instructions had been to give Canadians the preference where qualifications were equal. This, declared Mr. Hays, had been their consistent policy. He was willing to go further and refuse to consider or accept in future an applicant who was not endorsed by the Executive of the Canadian Society of Civil Engineers, a proposal which some of the latter declared to be quite impracticable. Mr. H. D. Lumsden, a Canadian, had been offered but declined the position now held by Mr. Stephens. The latter, in his evidence, gave the names of a number of United States engineers whom he had procured at good salaries to take charge of different branches of the work. Mr. W. H. Knowlton (a Divisional Engineer), it also appeared, had written a letter in July indicating that after the Grand Trunk Pacific charter was granted there would be less trouble in the appointment of Americans.

Evidence was brought showing the capacity and availability of Canadian engineers and their understanding, in many cases, that there was no use for any but Americans to apply for these positions. The proof as to Mr. Stephens' appointing aliens in preference to qualified Canadians was apparently strong. Various witnesses of high standing in their profession gave names of many Canadian engineers fitted to fill any of the posts dealt with from the highest down to the lowest. An incident of the Inquiry was the reading of a letter written by Mr. G. A. Kyle, Divisional Engineer at Winnipeg, on Oct. 3rd, 1903, to a man in Tacoma, U.S., expressing regret at not having an available position for him but hoping that later on an opportunity would arise. "We are," he added, "in the unpleasant situation where it is advisable to fill minor positions with natives and are, therefore, rather handicapped." In another communication an applicant in the State of Idaho was told, with regret, that there were no present vacancies. "The policy of the Company is to use Canadian and

English wherever we can do so consistently but think that, later on, we will have to import some American brains in order to carry the thing out successfully." On June 8th it was announced that Mr. Kyle had tendered his resignation on the ground of having embarrassed the Company by exceeding his instructions in the letters mentioned. The Report of Judge Winchester had not been made public by the end of the year.

Estimated Cost of the Grand Trunk Pacific Project

As in the preceding year* estimates of the total cost of, and national liability in regard to, the new Railway varied greatly. Speaking in the Commons on Apr. 5th Mr. R. L. Borden went into elaborate figures regarding the cost of the project. The construction from Moncton to Winnipeg at $40,000 a mile he placed at $75,000,000 and the simple interest at $9,000,000—a total of $84,000,000. If, however, as seemed probable, the money could not be borrowed on 3 per cent. securities at par these figures should stand at a total of $93,000,000—placing the securities at 90. Taking the former total, however, he added to it $17,640,000 for 7 years' interest after completion; $9,147,600 as interest on this total sum for three additional years; $6,978,719 as the cost of the Quebec Bridge; $13,000,000 as the bond guarantee on the Prairie Section; $25,410,000 as the liability upon the Mountain Section at Mr. Hays' calculation of $50,000 a mile cost and including seven years' interest on the bonds so secured. His summary of obligations was as follows:

Portions of Road.	If 3 % bonds are sold at par.		If 3 % bonds are are sold at 90 %.
Eastern Division and Quebec Bridge	$117,750,000	or	$130,000,000
Prairie Section	13,000,000	"	13,060,000
Mountain Section	25,000,000	"	28,000,000
	$155,750,000	"	$171,000,000

These sums did not include the $18,850,000 estimated by Mr. Blair as the country's loss during the 40 years in which the Grand Trunk Pacific would be paying 3 per cent. and the Dominion probably 3½ per cent. on the construction money borrowed. Mr. James Clancy calculated, on Apr. 13th, that the extension of the Intercolonial from Montreal to Winnipeg would cost $63,000,000, or a saving on the Eastern Division of $21,000,000, and that the cost of constructing thence to the Pacific would be the same as in the Government's project; but with the difference that the country would save its liability for construction and own the property. Mr. W. Roche (Apr. 15th) gave a Liberal estimate of the Government scheme—$81,000,000 as the cost of the Eastern Division, $7,000,000 for the Bridge, $21,500,000 as three-fourths of the cost of the Mountain Section and $10,000,000 as a generous allowance for contingencies, or $120,000,000 as the entire cost of the Railway in construction, interest and everything.

* See *Canadian Annual Review* for 1903, pages 45-7.

The Hon. Mr. Fielding, on May 26th, dealt with the subject still more diversely. He placed the actual outlay on capital account for the Eastern or Government Division at $64,125,000 *plus* interest during the construction period capitalized at $7,031,475, or altogether $71,156,975. The cost of the Quebec Bridge, he contended, should be excluded from the project entirely as it had not arisen out of the Trans-continental scheme and had been before the public for a number of years. It was also felt to be an obligation by both political parties. He placed the guarantee of the Prairie Section at the recognized sum of $13,000,000 and accepted, under protest the estimate for cost of the Mountain Section at $56,000 per mile as propounded by Mr. Barker of Hamilton. This would be a total of $26,880,000 of which the Government guaranteed three-fourths or $20,160,000. To this he added $1,061,052 as a probable issue of bonds in connection with a 5 per cent. discount on the $25,000,000 issue and the interest for 7 years payable by the Government, or $3,177,794. The total cost and liability involved, according to the Minister of Finance, were $108,555,821 as against the Opposition Leader's expected $150,000,000 and probable $171,000,000. He proceeded to state that the total sum required by the Government to cover the interest on cost of the Eastern Division would be $10,655,562 and the total present sum for the Western Division interest, $3,177,794, or a total direct Government obligation of $13,833,356.

Another view of the liability incurred, from the Conservative standpoint, was Mr. George Taylor's estimate that the burden upon the people would amount to $25 for every individual, $125 for every Canadian family, $1,500 for every voter, $100,000 for every township and $800,000 for every constituency in Canada. The Montreal *Star* of Jan. 13th had these figures worked down and applied to each constituency although it based them upon Mr. Blair's estimate of $139,000,000 which, at the preceding Census figures, would make the uneven amount of $25.87 per capita. According to this calculation 26 constituencies would each carry over $1,000,000 increased liability; Montreal over $5,000,000; Hamilton $1,300,000; Toronto $3,800,000. The Toronto *Mail and Empire* of Apr. 7th had another Conservative estimate of the cost totalling $137,118,719 as a minimum figure.

The Company's estimate of the cost of construction was stated by the Toronto *News* of Apr. 9th at $120,000,000 or $76,000,000 for the Eastern Division raised directly by the Government; $31,750,000 on bonds for the Western Division guaranteed by the Government; and $13,500,000 on similar bonds guaranteed by the Grand Trunk. In dealing with the changes caused by the modified arrangement of 1904 the *Mail and Empire* (Apr. 16th) calculated the total liability of the country at $182,558,553 including rentals, surrendered interest, bonds, and guaranteed bonds. The Toronto *Globe* (May 10th) on the other hand, described the completed Railway lines, worth $35,000,000, given by the one-time Con-

servative Government to the Canadian Pacific Railway; the cash bonus of $25,000,000 and the lands worth $75,000,000 which were said to have been poured at the time into the lap of that great Corporation; and then pointed to the Grand Trunk Pacific which received no gift of completed railways, no land grants and only about $15,000,000 in remitted interest.

The Peace River Region and the Railway Project

Incidental to these discussions was a somewhat acrimonious controversy aroused in Committee of the House by a Report of Mr. James M. Macoun, Assistant Naturalist and Botanist in the Geological Survey Department, relating to the vast Peace River region through which the new Trans-continental Line was in part to pass. It was, of course, important to the Government's position in the case that this little known country should turn out to be a reasonably fertile or mineralized region which the Dominion as a whole, and the railway itself, would be able to open up and develop with advantage. Prior to the appearance of the Report some interesting data was made public. Mr. C. H. Lugrin of Victoria B.C., writing to the Toronto *Globe* of Feb. 23rd, described wheat as having been successfully cultivated at Fort Vermilion (Lat. 58) on the Peace River. "I have high authority for the statement that a failure of the crop has never been known since the grain was first sown there, now nearly twenty years ago. This being the case, we may reasonably conclude that, if not wheat-growing, at least mixed farming, dairying and stock-raising can be successfully carried on as far north as Latitude 60 or, in other words, we have a belt of productive country in the West at least 11 degrees of latitude in width, measuring from the international boundary." This region was as large as the States of Washington, Oregon, Nevada, Utah, Colorado, half of California, Kansas, Montana, the two Dakotas, and part of Montana all put together. In this country, he believed, there was less waste land than in the region mentioned in the United States with as great a variety and abundance of natural wealth. Speaking on Feb. 25th, before the Literary and Historical Society of Quebec, Dr. Robert Bell, I.S.O., F.R.S., Acting Chief of the Geological Survey, on the other hand stated that he had "long entertained doubts as to the reality of the supposed fine soil and climate of the Upper Peace River country." He had therefore instructed Mr. J. M. Macoun in the Spring of 1903 to make a thorough and impartial examination into the facts.

This investigation had resulted in finding that there was a vast difference between the climate and soil of the Lower Peace River and the conditions as to the upper section of the same river. The good climate and soil of the Lower Peace were found to extend in a north and south rather than in an east and west direction and, consequently, to cross the course of the stream rather than to follow it. There is therefore a great stretch of promising country between Lesser Slave Lake and Great Slave Lake on the western side of the Slave River. In these altitudes it has been proved that comparatively small differences in elevation make an

immense difference in the climate or rather in the climatic conditions required for the ripening of wheat. The great depth of the Upper Peace River Valley amounted in some cases to 800 feet below the general surface of the country. What had hitherto been considered as soil by the superficial observers who had hitherto written about this region, proved to be such hard and undrained material that Mr. Macoun's men could not drive their tent pegs into it. There was the merest covering of loam upon the surface of this material, so that the region proved very disappointing both as to soil and climate.

Late in March the Report was made public. Mr. Macoun noted, first of all, that the Peace River Valley in the upper part of the region was the only place where any systematic attempts at agriculture had been made and upon the results here nearly all previous travellers had based their observations. "Good crops have been raised in other places and it may be said here that the soil is good almost everywhere throughout the Peace River Valley, but to attribute to the whole country the climate of the Valley creates a false impression and one which has already brought not a little hardship and suffering upon those who have settled in less favoured localities. The prairie country north of the Peace River, and the Grande and Spirit River prairies to the south are between 700 and 1,000 feet higher than the Valley bottom and in these latitudes 700 feet of altitude effects a considerable change in climatic conditions." He then dealt with the country in detail, praised highly the Valley of the Peace River and its fitness for wheat growing, deprecated the idea that the whole region was similar in its climate and adaptability, and summed up as follows:

The fact must never be lost sight of that there have been very few attempts to grow grain except in the river valley, and when these attempts have been made they have always failed. Without any exception, every productiveness of the soil and suitability of the climate for the growth of cereals refers to the river valley, not one of those who have stated that the whole Peace River region was suited to the growth of wheat having any other grounds for that belief than the evidence afforded by crops grown in the valley.

As a result of the conclusions thus come to there was considerable criticism and discussion. Dr. John Macoun, Chief Naturalist of the Survey, was called before a Committee of the House on Apr. 8th to testify as to the country thus described by his son. He had formerly reported of it as having a great future as a grain-growing region and he now adhered to that opinion. The discrepancy between his opinion and that of his son appeared to be caused by the latter judging general conditions by specific conditions local to one region only. He maintained that the increased length of daylight and the constantly decreasing altitudes of this northern country made it possible to grow wheat successfully.

In the Agricultural Committee of the House on Apr. 14th Mr. J. M. Macoun repeated his statement that with the exception of a few small areas the region was unsuited for either grazing or wheat growing. The land was too high and too cold, the soil shallow, the clay sub-soil impervious to water and the loam only two or three

inches in depth. This evidence produced a storm in the Committee and Mr. F. Oliver (a Western Liberal), denounced it as "utterly and absolutely misleading and injurious in the last degree." Hot words and abusive language of a partisan nature ensued amongst the members. On Apr. 22nd, on Apr. 28th and again on May 3rd and May 10th Mr. Macoun appeared before the Committee and was closely examined in the matter. He adhered to his opinions, however, and declared the late Dr. G. M. Dawson, whose views had been more favourable than his, to be the only person other than himself who had explored the upper plateau of the Peace River. They differed mainly as to the depth or shallowness of the good soil. Other visitors to the region were quoted against Mr. Macoun by Liberal members of the Committee and there the matter rested —after the former had admitted his Report was not wholly made from personal observation.

The press in commenting upon the affair drew attention to the undeniable changes in climatic conditions which had followed settlement in Manitoba and referred to the probability that even if Mr. Macoun were right, conditions might very easily change in the future. The Western members were angry about the Report because they declared it was being used in the United States to check emigration to Canada. Various letters and interviews appeared from visitors or residents—such as the Rev. Father Husson, who had lived 30 years in charge of the Roman Catholic missions on the Peace River—declaring it to be a great agricultural, dairying and ranching country. Archbishop Langevin of Winnipeg proclaimed it in his opinion "a magnificent country." As to the prosperity at Vermilion and the great value of the country in that particular region there was no question.

Progress of the Trans-continental Railway Project

Following the passage of the Government's measure through Parliament progress must be recorded in respect to surveys, the appointment of a Construction Commission and the selection of a terminus on the Pacific Coast. In this connection also a few expressions of general opinion may be mentioned. The Toronto *News* (Independent) all through the year was capable, concise, and at times hostile, in its criticism of the project. The following summary of certain views appeared on Mar. 31st: "The Government is perfectly justified in giving a liberal guarantee of the bond issue. It is justified in making the financing of the road easy. But it relinquishes to a dangerous extent the control of the financing of the line. It has placed too much power in the hands of private individuals. It parts with one great safeguard for lower freight rates, the securing of the lowest fixed charges possible." Objections to the project may be condensed from an editorial of Apr. 23rd:

1. The bargain surrenders to private capitalists the power of fixing the amount of liabilities which the Government must shoulder. The control of the public credit is resigned to railway promoters.

2. Permission is given to these promoters to retain, sell, or give away, a huge block of common stock upon which the people must pay dividends without guarantee that it will represent any actual investment.

3. Promoters will be able to build and own a great railway without putting a dollar of their own money into it and to then burden the road with fixed charges which may bring profits without representing investment and also necessitate high freight rates.

4. The country is pledged to build the line from Abitibi to Quebec without knowledge as to grades and curves and under contract conditions which would permit it to be dropped if that policy suited the convenience of promoters and politicians.

5. The projected Moncton extension is indefensible.

6. Several provisions of the Contract, such as those relating to branch lines and the granting of a renewal of running rights for 50 years, seriously prejudice the cause of Government ownership.

On Apr. 10th the Toronto *World* interviewed Mr. Premier Roblin at Winnipeg. He spoke earnestly of the Western need of railway competition; urged the extension of the Intercolonial to Winnipeg and the Coast; declared that "the West is thoroughly and irrevocably committed to the principles of public ownership and public control of railway operations"—not necessarily to Government construction, however; and thought that the Grand Trunk Pacific project was not favoured in the West except by speculators and the immediate territory it might be expected to touch. Writing on Apr. 30th *Bradstreet's* (the New York commercial and financial journal) expressed the belief that the building of this railway would promote immigration; develop the great Peace River Valley; send Western flour to China and Japan; afford new markets for Eastern Canada; throw open the enormous wooded country through the hinterland of Lake Superior and the regions extending from Lake Abitibi to the north of Quebec City; develop certain timber sections of New Brunswick and large mining districts of British Columbia.

During the middle months of the year there was considerable discussion as to possible appointments to the Construction Commission of the Government portion of the new Railway and there were insistent rumours that Mr. Premier Parent of Quebec would be one of the Commissioners, if not Chairman. He denied these rumours and it was finally announced in August that Mr. F. B. Wade, K.C., M.P., would be Chairman of the Commission and have associated with him Mr. Alfred Brunet of Montreal, Mr. C. A. Young of Winnipeg and Mr. Robert Reid of London. Mr. H. D. Lumsden, C.E., was to be Chief Engineer and the Hon. Mr. Parent would represent the Dominion Government upon the Grand Trunk Pacific Board of Directors. The Opposition press criticized the Commissioners as gentlemen lacking in any experience of railway construction, or in any special skill or knowledge likely to be of service in such positions, and declared the appointees to be best known as partisans. One was described as a banker, another as a manufacturer and the fourth as a grain dealer.* The Commission was compared unfavourably with the United States Isthmian

* NOTE—The Toronto *Mail and Empire*, Aug. 27th.

Canal Commission. On the other hand it was pointed out that Mr. Wade had attained with rapidity and success to a very high position in the House of Commons; that politicians on both sides personally approved his appointment; that he had financed, constructed and afterwards controlled for years, with marked success, a small railway in Nova Scotia; that he had been connected with other lines in the Maritime Provinces. The other members were described as shrewd business men with experience in financial affairs and abundant capacity to make a success of their new duties.

Meanwhile, Mr. C. M. Hays, accompanied by Messrs. Morse, Wainwright, Allan and W. H. Biggar of the Grand Trunk, by the Premier of Quebec, Mr. Stephens, Engineer of the Grand Trunk Pacific, and Mr. Hobson, Engineer of the Grand Trunk Railway, had left Montreal on Aug. 17th to make a Western tour to the Coast and to select, incidentally, the Pacific terminal of the new road. At Toronto the party was joined by Senator Cox, Mr. E. R. Wood and Mr. J. R. Booth of Ottawa. On Aug. 22nd they were in Winnipeg where a Board of Trade deputation was given the following assurance by Mr. Hays: "Building and operating a railway was a business proposition, and sentiment considerations could not be allowed too much weight; but he thought from a business point of view it was highly desirable that, where conditions were at all equal, local merchants and contractors should be given the preference. They had a right to expect this; and he could say that the Grand Trunk Pacific officials would see that they were not disappointed." By Sept. 13th the visitors had come and gone, had inspected the various inlets along the Coast and at the date mentioned had returned to Victoria where Mr. Hays intimated that it would be some time before the choice could be announced. It was pretty generally believed, however, and with reason, that Port Simpson would be the place.

During this period the surveys had been proceeding and on Nov. 9th Mr. Wade, in an interview at Ottawa, stated that this work was being most satisfactorily carried on all along the line from Moncton to Lake Abitibi. The preliminary surveys in New Brunswick would be completed very shortly. Offices had been opened in Winnipeg and the winter parties arranged for and suitably equipped. The Commissioners had, he added, just completed a tour covering Quebec, Edmundston and various places in New Brunswick, Halifax in Nova Scotia and Winnipeg and adjoining points in the West.

The Cornwall Canal Question and Certain Appointments to Office

A matter which aroused considerable discussion of a political character during 1904 was the Federal contract for supplying electric light and power to the Cornwall Canal. This was originally granted to Mr. M. P. Davis of Ottawa by an Order-in-Council of the Tupper Government, without competition, and eleven days before the general elections of 1896. Mr. Borden stated in the House of Commons on July 13th,

1904, however, that there had been a preceding Order-in-Council (Feb. 18th, 1896) leading up to and anticipating the terms of this one. It was enlarged and extended to the amount of $1,220,000 twenty-nine days before the general elections of 1900 by the Laurier Government. Finally, the Auditor-General refused to pay the accounts put in under the Contract and his opposition led to an amendment of its terms by which the Government's liability and payments (according to Mr. McDougall) were largely reduced. There were other details in the Contract which aroused special criticism from independent papers.

The Auditor-General, in his Report for 1903, went into further particulars and made public the correspondence in which his protests and objections had been embodied. The subject was discussed in the House of Commons on June 6th, 1904, in connection with the proposal by Haughton Lennox for a reform of the Audit system. In reply to some reference of his, Sir Wilfrid Laurier defended the Contract of 1900 as a completion and implementing of that of 1896 which he agreed with Mr. Lennox in describing as a "prudent Contract." The reason for the amended arrangement was the necessity of letting Mr. Davis know the quantity of light and number of horse-power required by the Government. Hence the specific terms and changes in the new Contract. On July 13th the matter came up again and the notable feature of this debate was the Hon. Mr. Fitzpatrick's definite assertion that the Auditor-General, in his annual Report, had mis-stated his case.* The Minister's standpoint in the matter was as follows:

> **The original Contract provided that Mr. Davis should supply light at the prices mentioned there, and should supply power at the price mentioned in the original contract in 1895, for the period mentioned there, but that the number of lights would have to be fixed when the Cornwall Canal was finished, when the construction was ended, and that the number of lights should be fixed by the one man competent to fix them, that is to say, by the Government Engineer, he being the only man competent to do it. That is all that was done in 1900—to fix the number of lights and the number of horse-power. In all other respects the Contract is the original contract.**

He did not deal minutely with the figures adduced by Mr. McDougall or answer his claim that a large sum of money had been saved to the country by the subsequent re-arrangement of terms following upon the Auditor-General's protests. He pointed out, however, that the original Contract included right of renewal for three periods of 21 years each so that the present Government had not greatly increased the length of the Contract. Mr. Davis was, he declared, an honest man and a good contractor and the Government really had every necessary and possible control over the cost of lighting, rentals, etc. The Opposition speakers claimed that a renewable Contract had been changed into an imperative one for 84 years and strongly supported the statements of the

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* NOTE—*Hansard*, 1904, page 6647.

Auditor-General. On Aug. 4th Mr. Lennox again attacked the Government in this connection and precipitated another discussion. He declared that it was the Government's duty in 1900 not to retain the old Contract, but to bring it into harmony with changed conditions such as the development of electric energy and lower prices resulting from the larger quantities of power and light now required. Yet there was an increase of actual cost to the country of $26,000 a year under the arrangement of 1900. Mr. Fitzpatrick, in replying, quoted the Soulanges Canal expenditure for similar purposes in order to show that there had been no extravagance in this matter and declared that "the Government has not paid a dollar in connection with this Contract except for power actually supplied and lights actually furnished"; while Mr. Davis had already expended $300,000 upon his plant and machinery. There the matter may be left.

Several times during this Session attention was drawn by Mr. T. Chase-Casgrain to the appointment of members of Parliament to positions of emolument in the gift of the Government. On Apr. 11th he gave a list of 26 gentlemen stated to have been so appointed since July, 1896, to Lieutenant-Governorships, Judgeships, the Senate, the Railway Commission and other minor positions. Three days later he repeated these names and tried to get the Premier to give him a complete official list but without avail. He quoted Liberal denunciations of this practice prior to their taking office in 1896 and claimed it to be a serious interference with the independence of Parliament. Sir W. Mulock replied by pointing to cases under the Conservative Administration where such appointments had not only been made but the promise of them kept dangling for months before the eyes of members of the House. Mr. R. L. Borden responded with similar alleged instances under Liberal rule and there the matter rested.

More important than this very general discussion was the explicit and personal one in connection with the appointment of Mr. J. B. Jackson, K.C., a lawyer of Ingersoll, Ont.—who had for years been connected with local Liberal politics and latterly with the scandals surrounding an attempt to unseat Mr. Donald Sutherland, M.L.A., Conservative, in South Oxford—to the position of Canadian Commercial Agent at Leeds, England. The matter was brought to the attention of the House of Commons on July 28th by Mr. W. H. Bennett who detailed the circumstances under which the Ontario Government, with its majority of two or three, had pressed the protest against Mr. Sutherland in order to afterwards carry a seat where the normal Liberal majority was heavy and had given the matter into the hands of Mr. Jackson who had long been a political worker for Sir Richard Cartwright, the representative of the Riding at Ottawa. He proceeded to quote all kinds of testimony produced in Court during the subsequent trial of the charges against Mr. Sutherland in order to show that this Liberal agent had suborned false evidence, bribed witnesses in a

number of specific cases to commit perjury, and had actually concocted evidence of wrong-doing on the part of Mr. Sutherland or his agent for the use of certain disreputable characters at the trial. After days of investigation the charges had been dismissed by the Court and some very scathing words used by Mr. Justice Street concerning the conduct of Mr. Jackson.

Mr. Bennett's citations from the evidence cannot be given here but they made a most unpleasant picture of political depravity whether the Liberal agent's connection with the incidents was conclusively proved or not. The speaker finally declared Mr. Jackson to have been clearly associated with discreditable and disgraceful proceedings and then turned his attack upon the Minister of Trade and Commerce for having made the appointment to Leeds. In his reply Sir Richard assumed sole responsibility for the appointment; described Mr. Jackson as an intelligent and capable man; claimed that "when you have to obtain evidence in a contested election it is absolutely impossible for you to obtain it from highly respectable members of society"; admitted that Mr. Jackson's zeal had "outrun his discretion"; pointed out that he could have done nothing contrary to law or the Conservatives would have prosecuted him; and asserted that he had himself inquired into matters at the time of the appointment and had assured himself that "whatever indiscretion he (Jackson) may have been guilty of he had committed no offence contrary to the laws of the land." He had neither suborned nor attempted to suborn testimony. And then he added in words afterwards much quoted:

> Mr. Jackson did attempt to obtain evidence, but did not attempt to suborn testimony. I would like to know how you are going to obtain evidence in these election trials, unless sometimes men are prepared to pay sums of money for the obtaining of evidence. I venture to say that there are mighty few election trials which are brought to a close in this country in which something of the kind has not to be done. I do not mean to say that it is nice work; I do not mean to say I like it; I do not mean to say that it is a good work, but it is work that has to be done unless you are going to allow these parties on either side to go from one end of the country to another using money for the purpose of illegitimately influencing the electors.

Conservative members followed in further analysis of the evidence at the trial and the Opposition Leader then moved a Resolution (voted down by 43 to 70) "that in making appointments to public offices, and particularly to those of a representative nature, party services should not alone be considered but selections should be made with regard to capacity and personal character." He stated explicitly in his short speech that Mr. Jackson had personally paid money to one criminal character whom he named; had, according to the sworn statement of several witnesses, offered them money to swear to falsehoods; had paid money to others to obtain similar evidence; and upon his own admission had paid one man $250, who had afterwards—according to the sworn testimony of several persons—offered bribes for false evidence.

Turning then to Sir Richard Cartwright and his expressed view of the matter Mr. Borden used probably the strongest language recorded amongst his utterances upon the pages of *Hansard*:

> I say to the Right Hon. gentleman the Minister of Trade and Commerce, that it had been better for him as a public man in this country if he had retired to the isolation of his own parish and been heard of no more, before he made the declaration which he has to-day made in this House. I believe, sir, that there never was in the public life of this country or of any other country a more damnable doctrine more unblushingly avowed. I do not understand how a gentleman who has had his experience in public life, who has in the past preached lofty doctrines with regard to purity of public life and in the administration of public affairs, could ever have found it in his heart to stand up in this House of Commons, and make the avowal which the Minister of Trade and Commerce has made to-day. It was bold ; it was more than bold, it was unblushing, and if I were not transgressing parliamentary decorum I would say that it was utterly shameless. That this man, so stigmatized by Mr. Justice Street, should be promoted to the public service of Canada, and that the Minister of Trade and Commerce, speaking for the Government, should not be ashamed to stand up and justify him, is an unheard-of degradation in our public life.

The subject had already been discussed in the Senate on Apr. 21st through a motion for correspondence, etc., presented by Sir Mackenzie Bowell. The attitude of the Conservative press in the premises was, of course, denunciatory and in this they were joined by most of the few independent papers in the country—though in milder language. The Stratford *Beacon* and St. Mary's *Argus* were amongst the Liberal papers which regretted the appointment and deprecated the Minister's explanation. The Toronto *News* which had strongly arraigned Mr. Borden for not condemning the action of the Conservative Government in making the original Cornwall Canal Contract now criticized this appointment and the speech of Sir R. Cartwright as one of the most "disheartening incidents" in Canadian political history. It may be added that Mr. R. K. Erb of South Perth was the only Liberal member who had voted in the House for Mr. Borden's Resolution regarding such appointments.

The Auditor-General's Position and Resignation

Arising to some extent out of the Cornwall Canal Contract, though influenced also by other points of difference between himself and the Government, was the much-discussed resignation of the Auditor-General of Canada in a letter dated June 21st, 1904. Mr. J. Lorn McDougall, C.M.G., I.S.O., was an official who had always been accorded the unstinted respect and confidence of the best men in both parties. Originally appointed by the Liberal Government of Mr. Mackenzie in 1878 he had held his position ever since and, despite occasional and perhaps inevitable friction with individual Ministers, had won both popular and political regard. In 1903 some trouble had arisen between "the watch-dog of the Treasury" as he was popularly called and the Minister of Finance. Stripped of technicalities the dispute turned upon the matter of

transmitting to the Auditor-General the Government cheques which had been returned to the Government after payment by the banks. In practice the Government's method gave them the power of authorizing payments and all the Auditor-General could do thereafter was to complain and not prevent. He made his protest but was over-ruled.

On Mar. 22nd, 1904, Parliament received its annual Report from the Auditor-General. In it was a history of the Cornwall Canal Contract, including copies of correspondence between himself and the Ministers and others, in connection therewith and showing apparent indifference on his part to any consideration except what he believed to be in the financial interest of the country. He claimed in this matter to have saved $500,000 to the people and stated that the record of the controversy was given with a view to showing the necessity of certain practical alterations in the Audit Act; some of which had already been urged in previous Reports. He referred to the magnitude and number of the transactions going through his office and intimated that the suggested amendments to the Act were absolutely necessary to enable the Auditor-General to cope with the expansion in the country's business. "I feel so strongly on this point," he added, "that if Parliament does not see its way to bring the matter up this Session I shall at the end of the Session ask to be superannuated." The following were special amendments asked for:

1. That in contracts given without tenders, or where tenders have been called for and the lowest tender has not been accepted, the proper officer of the Department be required to certify that the prices are fair and just.
2. That in all cases the technical officer on whose expert knowledge the Department relies when making a contract, be required to furnish the fullest information to the Auditor-General, and to all other Government officials who have the duty of dealing with contracts.

On June 6th Mr. Haughton Lennox moved in the House of Commons for a Select Committee to prepare and introduce a measure effecting the consolidation and amendment of "the Acts respecting the public revenue, the control and administration of public moneys, the raising of loans authorized by Parliament and the auditing of the public accounts." He explained that the present Audit Act was the creation of the Mackenzie Government in 1878 and was an experiment based upon some British legislation of 1866. Since then our expenditure had doubled and much had occurred to make changes in the Act essential. In 1880 the duties of the Auditor-General had been enlarged and eight years later his salary had been increased to $4,000. Upon these and other occasions leading Liberals of the Opposition had emphasized the importance of this position and the necessity of keeping the official in question, as an officer of Parliament, independent of the Government of the day. Mr. Lennox described the Auditor-General as much more than a mere auditor or book-keeping critic. "He was

intended to be Comptroller as well; a check upon the executive administration of the Government in respect to finances."

In reply the Prime Minister declared that Mr. Lennox had not made out a case for the appointment of such a Committee. "In so far as I understand the matter I think the principle and details of the Act are quite sufficient to take care of the present revenue and of a revenue much larger. If there were any evidence required of that we would have it in the fact that our Act is copied from the English Act and the English Act has been found sufficient to deal with a revenue ten times greater than our own." The Auditor-General now had power and the right to advise the Treasury Board as to whether an appropriation had been voted by Parliament and as to whether it was an expenditure which ought to be incurred. Further than this his authority did not and should not extend. The final responsibility for action must rest with the Treasury Board composed of six members of the Government. In his Report to Parliament about such matters, however, he was absolutely independent; with no authority over him except Parliament which constituted, practically, a Court of Appeal between the Auditor-General and the Government. Any greater power in the hands of an official than he now had would clog, if not stop, the wheels of Government. To this view the Hon. Mr. Haggart, though a leading Conservative, was inclined to give his support. For an official, however eminent and honest, to have the power of over-ruling the Government of the country might make government impossible. The proposal of Mr. Lennox was negatived on division—the vote not being recorded.

On June 24th Mr. McDougall's letter of resignation was made public and in it he asked for superannuation to take effect from July 1st and expressed the belief that he was entitled to an allowance in this respect for nine years' additional service. With or without this, however, he asked for early and prompt action. His reasons were given by quoting from his annual Report and in stating that the recent remarks of the Premier in the House had made it clear that no immediate amendment of the Audit Act was intended. Following a reference by the Minister of Justice to Mr. McDougall's "mis-statements" in his annual Report, the latter gentleman on July 15th wrote a letter* declaring that Mr. Fitzpatrick had never objected to the terms of his correspondence as being improper during their many conversations on the subject; that the Minister had known his opinion of the Cornwall Canal Contract to be that "it was an unadulterated give-away to Mr. Davis"; and that he, the Auditor-General, had loudly complained of the insufficient information and lack of technical assistance which he was given in the matter.

The comments of the press upon the resignation—which was not at the time accepted and had not yet taken effect at the end of

*NOTE—Quebec *Chronicle*, July 19th.

the year—were certainly flattering to the Auditor-General. It was declared by the Opposition papers to be a severe blow to the *prestige* of the Government and a clear proof of their desire to muzzle or remove the "watch-dog" and to have, as Auditor-General, a shackled servitor, in place of an independent servant of Parliament, or else a pliable tool appointed by and responsible to themselves. As the Toronto *News* put it on June 23rd: "He declined to admit that he was the servant of the Government. He served the country. In the treatment accorded to him there is embodied an official declaration that the Auditor-General is the servant of the Administration of the day. Such a conception not only degrades the office, but suggests the appointment of a man of a very different type to Mr. McDougall." The Toronto *World* thought that Mr. McDougall was looking forward with alarm to the varied contracts and heavy railway expenditure of the near future and to his position of responsibility without power. Liberal papers urged him to reconsider his resignation and all combined in complimenting his unbending integrity while, however, deprecating any greater specific authority which might place him above the Government of the country. No business house or public company it was said would confuse the powers of its Auditor with those of its Executive and Parliament could not afford to do so either. The Toronto *Globe* of Aug. 5th contributed the following personal reference to the discussion and also urged the retention of Mr. McDougall's valuable services:

> Nothing that has happened has in any way diminished the respect in which he has always been held by Ministers for his strenuous zeal in the public interest, his unbending integrity, and his unwearied and conscientious industry. Indeed, none know better than Ministers, themselves, both those now in office and their predecessors, that they owe him gratitude for valuable aid in checking improper practices on the part of those who have to disburse the public revenue.

Meantime, the matter had been again discussed in Parliament. In the Senate on June 29th the Hon. W. McDonald introduced a Resolution—rejected upon a vote of 25 to 12—declaring that the Audit Act should be amended as desired by the Auditor-General and the latter's services thus preserved to the people of Canada. The Hon. R. W. Scott, Liberal Leader in the Upper House, made the following comment upon the subject: "Those who are responsible for the expenditure are the Government of the day. While the Auditor-General may have erred, it has always been on the side of economy and the protection of the public revenue. The Government, in declining at the present time to make any changes in the Audit Act, still recognize that the Auditor-General has been an efficient servant, and they hoped that their decision not to make a change at the present time would not lead to his withdrawal. His resignation has not been accepted, and I hope it will be reconsidered, and that he will remain in the service of the country."

In the Commons on July 13th Mr. R. L. Borden brought up the

matter in the form of a motion that: "In the opinion of this House the provisions of the Consolidated Revenue and Audit Act be so extended as to confer upon the Auditor-General powers ample in every respect to protect the public interest and safeguard the public treasury." As to details and methods he expressed himself in favour of giving that official, in certain cases, the power to call upon a Judge of the Supreme Court of Canada to investigate the circumstances surrounding a specific contract, or payment, or proposed payment, and to make a Report which would be laid before Parliament at its next Session by the Auditor-General. Meanwhile, pending such inquiry and submission of the matter to Parliament no payment would be permitted by order of the Treasury Board save such as the Judge might deem to be required by immediate public interests. Mr. Borden also submitted a draft Bill to the House embodying these and other suggestions but it was then too late in the Session for actual legislation even had the Government been favourable.

The Minister of Finance (Mr. Fielding) in replying described this scheme as involving control by a Judge over the expenditure of the people's money and declared the present legislation to be reasonably satisfactory. "Under the Audit Act at present, the Auditor-General is properly vested with large powers; unlimited powers to investigate everything in connection with the public accounts. He has unlimited power to audit; he has even the power to obstruct, which was never the intention of the Audit Act at all. There is no lack of power to the Auditor-General in the Audit Act, and if our friend the Auditor-General wants more power, it is not that he may audit the public accounts, but that he may deal with matters which the Audit Act never contemplated as coming within the proper sphere of the Auditor-General's duty." The Minister of Justice (Mr. Fitzpatrick) did not object to any changes in the detail of the Audit Act which might aid the more effective discharge of his duty by the Auditor-General but he did object to making that official "the Czar of Canada and Comptroller of the destinies of the country." His powers of investigation and delay were not sufficiently limited now. After some further speeches Mr. Borden's Resolution was rejected by 94 votes to 56.

Lord Dundonald's Work in Canada prior to June, 1904

The even and apparently successful course of Lord Dundonald's work up to this period and in the two years following his appointment as General Officer Commanding the Militia had, meanwhile, given little public evidence of the explosive materials which were to shortly cause so great a sensation.* On Oct. 22nd, 1903, Sir Frederick Borden had expressed the highest satisfaction with the "sound sense and judgment" and excellent work of Lord Dundonald and, in the Toronto *Mail and Empire* of Jan. 14th succeeding, while speaking of the

* NOTE—For a review of Lord Dundonald's Canadian work and speeches in 1902 and 1903 see the *Canadian Annual Review* for those years.

proposed legislation permitting a Canadian to command the Militia, the Minister again referred appreciatively to the work of the present G.O.C. and stated that the General had "various schemes for the improvement of Canada's Militia forces under way which made it unlikely that he would leave Canada in the near future." Even more significant was an editorial comment in the *Herald*—the Liberal organ in Montreal—on Jan. 11th, 1904: "Though Lord Dundonald's term in Canada has been comparatively short he has been active and has made the most valuable plans for the re-organization of Canada's Militia which the Minister, Sir Frederick Borden, is arranging to have carried out, in part if not in whole. Throughout his command the hand of Lord Dundonald has been felt rather than seen. His recommendations have gone to the Minister as they should, and have been given to the public by Sir Frederick in the regular way. The services of Lord Dundonald have been acknowledged by the Minister and the public has all along known whose was the expert hand in the preparations." On Feb. 4th it was announced that Lord Dundonald had prepared a new manual of Cavalry and Infantry drill and new regulations relating to the training and education of Militia officers. The manual was shortly afterwards authorized by the Minister. As throwing light upon the general opinions of the G.O.C. the following extract is given from his preface to the Infantry edition:

> In creating a citizen army, an army of busy men, men actively and continuously engaged in civilian pursuits for their livelihood, one of the great difficulties to contend with is the shortness of the time which they can give to the acquiring of military knowledge. To overcome that difficulty then, it is of the first importance that they should be taught only those things which are really necessary to their military efficiency, and that their drills and exercises should be of the simplest possible description, and such as may be fairly well learned and practised within the limited time which can be devoted to such work. In the future, in Canada, cavalry armed with the rifle will be in much larger proportion, relatively, to the other arms than it has been in the past, and the probability is that from time to time there will be much interchange between the cavalry and the infantry, and occasionally a hasty augmentation of the mounted force by the transfer of foot soldiers to it. It is very desirable, then, not only that the drills and exercises shall be as simple as possible, but that they shall be applicable, as nearly as can be, to cavalry and infantry alike, that the alphabet and the grammar of the soldier's training shall be the same for him who marches and for him who rides. That is the aim of this book.

The work was highly praised in many quarters. The Toronto *Globe* (Mar. 3rd) pointed out that through its pages Lord Dundonald held in view "the citizen soldier idea"; that he very wisely turned the lessons of the South African War to practical account; that in the book were fully embodied the ideas and aims outlined in the Preface with such "clear and consecutive thought, simplicity, absence of that detail which is so great an obstacle in the path of the short service militiaman"; that it directed the Canadian

Militia "along lines most suitable to our conditions"; and that "if the Canadian Cavalry take up this book and follow its teaching in the spirit which has apparently moved the author they must in a very short time become a force to be reckoned with." Speaking to the press months afterwards (July 9th) when the storm-cloud had burst and this drill book was about to be superseded by one previously in use, Lieut.-Col. J. Mason of Toronto described it as having worked exceedingly well in his own experience at a recent Militia camp and as being a decided improvement in method and practice. On Feb. 25th it was announced from Ottawa that the Militia Department had issued certain regulations which the *Globe's* correspondent described as "drastic" and as "showing the hand of Lord Dundonald." They were as follows and are specially interesting in view of the fact that at this very time both the G.O.C. and the Minister of Militia, as afterwards shown, were discussing the appointment in the new Eastern Townships' Regiment of officers not technically qualified:

The appointment of a person as an officer of the Militia shall not be other than that of a provisional Lieutenant unless such person has the qualification which may from time to time be prescribed for the rank or appointment he seeks. No person shall be appointed or promoted to any commissioned rank or appointment in the Militia unless such person has the qualification which from time to time may be prescribed for such rank or appointment. No officer shall be promoted to a higher rank than the one next above that which he holds. No officer shall be promoted unless he has served at least two years in the rank which he then holds. No person shall be appointed or promoted to any warrant rank or appointment in the Militia unless he has the qualification which from time to time may be prescribed for the rank or appointment which he seeks. Provided always that the application of the foregoing rules to individuals may, under special circumstances, be varied by the Minister of Militia and Defence on the recommendation of the General Officer Commanding.

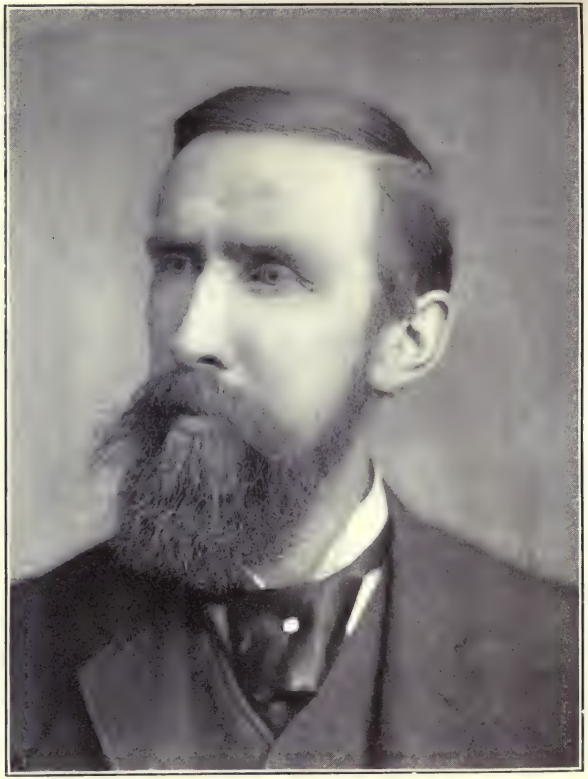
At the annual meeting of the Dominion Artillery Association in Ottawa on Feb. 25th Lord Dundonald spoke freely as to his hopes and opinions. He had travelled throughout the Dominion and everywhere had found a spirit of willingness amongst the people to serve their country. A scheme had now been arranged for a citizen army and he hoped that when Parliament met it would make the army of 100,000 men which now existed on paper a reality, would perfect the Artillery, provide the men with guns and ammunition and ensure the presence of sufficient resources and stores in the country for any possible time of danger. And then he made some significant explanatory comments:*

Gentlemen, there are several ways of obtaining an army. One is by conscription, by making the youth of the country slaves to other men's wills, with their good-will or without their good-will. That does not commend itself to a free country. Another way is to have a paid army. Another way is to have, what we have in Canada, a citizen army. But even if the people enroll in this citizen army, it can never be made

* NOTE—Report in Toronto *Globe*, Feb. 27th, 1904

THE HON. HENRY R. EMMERSON, M.P.

Appointed Minister of Railways and Canals, 1904.



THE HON. GEORGE E. FOSTER, M.A., D.C.L.

Elected M.P. for North Toronto, 1904.

effective unless the people of the country and their representatives realize that we require the organization to perfect it and that the army cannot be perfected and the equipment cannot be supplied unless the money is provided to do so.

An interesting illustration of the personal zeal and earnestness of the G.O.C. was seen on Mar. 1st when his eldest daughter was married under exceptional conditions of splendour and solemnity at Westminster Abbey to an officer in the Indian Army. Though naturally anxious to be present and knowing that it might be long before he would see his daughter again Lord Dundonald remained at his post of duty in Canada labouring at the plans for Militia reform and increased military efficiency which were made public about the same time. They provided for an army of 100,000 men ready to take the field in time of war, with provision for a second army of 100,000 men in case of emergency and with a peace establishment of 46,043 men. Without going into details here the following opinion expressed by the Ottawa *Journal* (Ind.) of Mar. 9th may be quoted: "Canada has inherited no divine right to peace, and the plan that the Earl of Dundonald has conceived, and that his tact and political acumen have prevailed upon the Dominion Government to adopt, is one which does not interfere with the busy commercial life of this nation, yet which furnishes an effective assurance of defence if the hell of war is ever loosed upon the Canadian people."

On Mar. 12th a large gathering was held in Alexandria to hear reports of progress and discuss the further organization of a corps of Glengarry Highlanders which had been initiated with a view to meeting suggestions made by Lord Dundonald. Sir James Grant of Ottawa delivered the speech of the day and described the recent address of the G.O.C. before the Canadian Club of Ottawa,* as a "clear and concise and comprehensive statement of the requirements of Canada" in military matters. In May Lord Dundonald's annual Report was made public containing full explanations of the new Army scheme and various special recommendations. This important state paper was really remarkable for its breadth of view, its insight into the democratic feelings and institutions of the country, its appreciation of industrial and social conditions, and its skilful organizing effect. The G.O.C. asked for "a system of emolument and training adapted to the convenience of the people in time of peace"; urged the maintenance of the Force "at the least possible cost consistent with efficiency"; and expressed his preference for busy men—the natural leaders of the people—who wohld certainly make the best officers if time and tests could be made to harmonize.

Passing from these references to Lord Dundonald's work and views during the early part of the year, a tribute may be quoted from the Toronto *Star* (Lib.) of May 16th in connection with some matters of local Militia detail: "The G.O.C. so far, has

* NOTE—See the *Canadian Annual Review* for 1903, page 410.

shown a judicious deference to local sentiment. He is, in fact, the most competent, the most distinguished and the most diplomatic General Officer Commanding that Great Britain has ever sent to Canada."

Incidents preceding and associated with the Dundonald Affair

While these facts or conditions were appearing before the public eye other incidents were occurring of a more or less significant character in connection with coming events. There appears to have been some early preliminary friction regarding the position of Lieut.-Col. W. N. Ponton, of Belleville, who had made critical remarks regarding Militia matters for which Sir F. Borden deemed it necessary to discipline him. To this Lord Dundonald was opposed. Then came the Gregory case extending over a year and affecting the command of a most efficient cavalry corps—the 2nd Dragoons of St. Catharines. Here there appears to have been evidence of friction between the G.O.C. and the Minister according to the published correspondence between Lieut.-Col. R. W. Gregory of the Regiment and Col. W. D. Otter, the D.O.C. It related to Major S. H. Glasgow's fitness to be second in command as a preliminary to being appointed first in command of the 2nd Dragoons.

Politics appeared in the fact that Major Glasgow was a prominent local Liberal whom Colonel Gregory claimed was being pushed into first place after only two years of service and without proper technical qualifications. To meet this condition, apparently, the Lieut.-Colonel Commanding asked for an extension of his own time for two years and stated in the correspondence that on Jan. 22nd, 1904, the G.O.C. in an interview at Ottawa promised it to him. Two days later he stated that Colonel Otter informed him that this would depend upon his recommendation of Major Glasgow for promotion and that Lord Dundonald had since asked him (Col. Otter) to say that he was unable to carry through the extension for more than one year. At a later period (House of Commons, July 27th) the Minister of Militia claimed that Major Glasgow was fully qualified and that Lieut.-Colonel Gregory had for years kept a really unqualified man as second in command for personal and political reasons connected with his desire to shut out Major Glasgow from succeeding to the ultimate command of the Regiment.

Whatever the real merits of this case, it seems obvious that these and other elements of friction were developing at Headquarters apart from the notorious particulars of a later incident. Another difficulty occurred late in 1903, according to subsequent official statements, in the well-known trip taken by Lord Dundonald to the Pacific Coast, and thence to Port Simpson, followed by speeches at Victoria and Vancouver. It appeared that this journey was undertaken against the expressed wish and "order" of the Minister of Militia. According also to a statement by Colonel L. F. Pinault, C.M.G., Deputy Minister of Militia

(Ottawa *Citizen*, June 17th) there had been a difference between himself and Lord Dundonald in March, 1903, and a more personal one in January of the succeeding year. During the whole period (1902 and 1903), also, despatches were every little while sent out from Ottawa to the press of Canada describing with monotonous regularity vague differences between the General and the Minister, probabilities of the former's retirement and possibilities of a Candian being appointed in his place. They were always denied and afterwards again revived. One of these reports appeared on Jan. 8th, 1904. Then came the changes in the Militia Act—officially announced on Mar. 17th in the House of Commons—as to Lord Dundonald's share in which it is impossible to dogmatize. He may or may not have been opposed to the optional abolition of his own position and the creation of a Militia Council, though he is known to have favoured the right of a properly-qualified Canadian to fill the post of G.O.C. But it is very unlikely that he approved the proposed restriction of Militia service to the bounds of Canada. In any event there were various possibilities of difference in this legislation.

Then came the final element in the trouble. The politics of the Eastern Townships had for some years past been peculiarly personal and bitter. This was owing to the influence of Senator G. B. Baker, head of a prominent Conservative family and himself for 18 years a member of the Commons from the district now controlled politically by the Hon Mr. Fisher, Minister of Agriculture. The central figure in the silent drama which was being enacted during the early months of 1904 was Dr. Pickel, Mayor of Sweetsburg (the home of Senator Baker), a Conservative associate of his, in natural opposition to Mr. Fisher and in special opposition, just at this juncture, to the re-election of the Hon. Mr. McCorkill, Provincial Treasurer of Quebec and a friend of the Ottawa Minister. Complicated with a bitterness which was increased by this Provincial bye-election and subsequent protest proceedings was the prolonged controversy between the Minister of Agriculture (who was consulted in the matter by the Minister of Militia) and a part of the population of Sherbrooke as to the location of their proposed Drill-Hall.

The Montreal Speech which Precipitated the Issue

On June 4th the General Officer Commanding the Militia was given a banquet in Montreal by the officers of Military District No. 5. Colonel W. D. Gordon, D.O.C., presided and over a hundred guests were present. At such dinners the proceedings are usually private and, on the succeeding day, very brief notices appeared in the press regarding this particular affair. Someone, however, was present who took a verbatim report of Lord Dundonald's remarks and, as a result no doubt of the rumours which immediately became current and of the keen discussion of the speech in military circles, this report was published on June 7th. It was afterwards stated by the Montreal papers that they had

originally received a report of the speech but had at first suppressed it upon the urgent request of many prominent officers who were present at the banquet and who feared that it would result in the loss of Lord Dundonald's services to the Canadian Militia. However that may be, it was ultimately made public and it then created the sensation of the year in Canadian politics—something different from ordinary issues or from even the excitement of a general election. After pointing out in this address that when a nation is at war, or facing serious danger, political and personal intrigues for advancement usually become dormant, Lord Dundonald went on to deprecate the further fact that in times of peace national vigilance is too apt to become relaxed and political wiles and schemes to have an increasing influence over the military forces. He denounced those who would, in military matters, advance one man or penalize another because of his political views. And then he hit out straight from the shoulder and in specific terms as follows:

> Recently, gentlemen, a gross instance of political interference has occurred. I sent a list of officers of the 13th Light Dragoons to be gazetted. The 13th is commanded by an efficient gentleman, whom I see here now. I sent a list of these officers to be gazetted. I was astonished to receive the list back with the name of one officer scratched out and initialled by the Minister of Agriculture, Mr. Sydney Fisher. That gentleman is a man I considered well equipped to serve the King in the 13th Scottish Regiment—Dr. Pickel, Mayor of Sweetsburg, chosen of the people, one of the champions of Missisquoi. What better man to serve the King? I feel certain that had Mr. Fisher's life led him to soldiery instead of to agriculture he would feel annoyed, perhaps on personal grounds, at the extraordinary lack of etiquette involved in, 'scratching,' the name of a gentleman put forward by a man whose business is to find efficient officers for the Militia. But, on personal grounds, gentlemen, I don't in the least mind. Lack of etiquette affects me little. I have been two years in Ottawa, gentlemen. It is not on personal grounds that I inform you of this, but it is on national grounds. I feel, gentlemen, anxious, profoundly anxious, that the Militia of Canada may be kept free from party politics.

There seems to have been much applause accorded to these opinions at the banquet with one personal expression of antagonism. Lieut.-Colonel F. W. Hibbard—a pronounced Liberal in politics—deprecated the remarks of the G.O.C., doubted their accuracy, and defended Mr. Fisher from the charges made. The sensation resulting from the publication of this speech was instant and wide-spread. Lord Dundonald's gallant record of military service; the feeling of admiration and respect and friendship felt for him by Canadians who had served in South Africa; the popular regard for him as the hero of Ladysmith and the almost romantic interest attached to his family name and achievements; the personal liking which he had won from the Militia of Canada as a whole; all combined to make the situation interesting and the public regret at what had happened almost intense. In party circles the sentiment was somewhat different. Amongst Liberals

it was one of anger and annoyance coupled with the instant assertion that the G.O.C. must resign, or be relieved of his post, on the ground that an official of the Government, no matter how high or distinguished, could not be allowed to dictate to or denounce publicly a member of the Government. Amongst Conservatives it was one of pronounced sympathy with the stand taken by Lord Dundonald against partisan influence in the Militia coupled with the fear that he would have to retire from his post and with a keen feeling of indignation against the Hon. Mr. Fisher.

The Minister of Militia took prompt action. On June 8th he wrote the G.O.C. a personal note enclosing a newspaper report of the speech and asking "if it correctly reports your utterances and the attendant circumstances." Within a few hours the Minister received a reply stating that the few notes of his speech which Lord Dundonald had in hand contained no reference to Mr. Fisher or the 13th Light Dragoons. From memory, however, he believed the report to be substantially correct so far as the assertion of political interference by the Minister of Agriculture was concerned. As to the rest he summarized it in the statement that in time of peace the hands of the General were liable to be "embarrassed by political intrigue." In the House of Commons on the same day Mr. W. S. Maclaren read a newspaper report of the speech and asked the Government if they were aware of the matter. The Premier replied that the affair was "a very grave one" and that the Government would make a communication to the House on the following day. In the Senate the Hon. A. C. P. Landry also read the speech and inquired if the charges were true. The Hon. Mr. Scott, Secretary of State, doubted the authenticity of the report but would express no further opinion.

Sir Mackenzie Bowell, Opposition Leader in the Senate, stated that in his own experience politics had often had more to do with appointments and the promotion and removal of officers than questions of efficiency. When he was Minister of Militia he had found it necessary to take strong ground against proposals along this line. The Hon. Mr. Dandurand, a Liberal, followed in a description of Lord Dundonald as "a paid employee of the Government" and this was promptly resented by Senator Domville, another Liberal, who deprecated such references to a distinguished man who had come here to do his best for the Empire and for Canada and who should not be insulted by comparison with a clerk or some man hired to-day and gone to-morrow. Meanwhile, newspaper comment was very much along partisan lines—admitting on every hand Lord Dundonald's merits but then dividing sharply as to the position held by Mr. Fisher and Sir F. Borden in the charges and the succeeding controversy.

The Liberals at once took up the constitutional aspect of the question and disregarded any other. The Montreal *Herald* (June 8th) clearly embodied this view: "It was a flagrant violation of his duty for him to appeal, as he did by his speech of Saturday,

to his inferiors. Such conduct, in England, would cost any servant of the Government his position as soon as it became known. It was wholly inexcusable and, much as the Canadian people will regret that Lord Dundonald should lay himself open to it, it is difficult to see how he, whose business it is to teach our Militia the duty of subordination to their superiors, can escape the natural penalty for insubordination. It is generally known here that Lord Dundonald had prepared his speech and expected that it would be published." The Conservatives waived this issue as not material and made partisan control of the Militia their text. In the Toronto *News* of June 10th appeared an "independent" summary of this contention:

> Lord Dundonald's complaint of political interference was so sharply worded, and wore so strong an air of premeditation as to warrant the surmise that he had made up his mind to abandon a thankless post. He is by far the best General Officer Commanding, the Militia ever has had. He has abstained from interfering in Canadian questions, he has devoted himself wholly to his technical duties of administration, he has shown exceptional organizing ability, he has evinced remarkable sympathy with Canadian national character and conditions. Yet he has been worried into angry protest. His resignation is to be demanded. . . . The fact that is of practical importance to the Canadian public is that the Militia is so managed that a good, progressive soldier who is anxious to mind his own business and render the Militia efficient cannot hold his position.

Parliamentary Discussion of Lord Dundonald's Statements

Before a House crowded both on the floor and in the galleries the Minister of Agriculture rose on June 10th to offer an explanation of the charges made by the G.O.C. He first of all summarized his general position regarding the Eastern Townships Regiment as follows: "That the only ground on which I made any suggestions in regard to the establishment of this corps was the immense importance of the appointment of leading officers with military qualifications, who knew the country and the people of the Eastern Townships, the district where the corps was to be established; that I took no exception to anybody's appointment on political grounds alone as evidenced by my recommendation and endorsement of many well-known Conservatives; that no one believes more thoroughly than I do that the first necessity in the recommendation of officers on the establishment of a new regiment is military qualification, and general personal suitability, and that no political consideration should be allowed to interfere with this." His objections to Dr. Pickel were based, he said, upon that gentleman's well-known lack of interest in Militia matters and the absence of statutory qualification.

As to details Mr. Fisher stated that on May 19th, in the absence of the Minister of Militia from Ottawa, Colonel Pinault, the Deputy Minister, had written asking him to sign the General Order authorizing these appointments; that on the same day he had been personally asked by Lieut.-Colonel C. A. Smart, in command of the projected Regiment, to press the matter through Coun-

cil; and that a little later in the day this officer had written him that Dr. Pickel had just intimated to him his decision to give up all connection with the project. Attached to the letter was a note from Lieut.-Colonel F. Whitley, in command of the Eastern Townships Cavalry Brigade, endorsing the desire for immediate action by Council. Hence his signature to the recommended appointments and his elimination of Dr. Pickel's name.

Following this brief speech Sir Fred. Borden, Minister of Militia, confirmed "literally and entirely" the statement of his colleague. During May both Colonels Whitley and Smart had urged him to have these appointments put through quickly so that the Regiment could go to camp. This he promised to do. "Finding that I would be obliged to be absent from Ottawa from the 18th to the 26th of May I instructed my Deputy to take the General Order containing the proposed list of appointments, so soon as completed, to my colleague the Minister of Agriculture, to be by him submitted to Council in view of the urgency of the case." At Montreal he had met Colonel Whitley by request and asked him to go to Ottawa and "assist in the final adjustment of the list." Mr. Fisher had stated what followed. At this juncture the attention of the House was drawn to a Memorandum regarding the matter under discussion which Lord Dundonald had sent to Colonel Sam. Hughes with a copy to the Minister of Militia. The latter and the Premier, in their remarks, resented the submission of the document in this particular manner. Colonel Hughes stated in explanation, that it was sent to him in response to a request for confirmatory data and was justifiable in view of the writer having no opportunity to defend himself on the floor of the House. In this document the G.O.C. gave full details regarding the inception of the 13th Scottish Dragoons and the difficulties which he claimed to have encountered.

In accordance with General Orders approved in Council he had commenced the organization of this Regiment in the preceding February and Lieut.-Colonel Smart was gazetted to the command on the 19th. Shortly after this came a Departmental order without explanation—but for which he understood the Minister of Agriculture was responsible—stopping organization. Later on, as he was anxious for the Regiment to be ready for the annual camp, Lord Dundonald twice made telephone appointments with Mr. Fisher in order to try and obtain "the reason for the obstruction" but neither appointment was kept by the Minister. On one of these occasions he had told Mr. Fisher that he had no right to interfere with Colonel Smart's selection of officers. It was the latter's duty to make these selections and submit the names to the G.O.C. so that he could make recommendations to the Minister of Militia. Dr. Pickel was not technically qualified—in fact only two out of 16 proposed officers for the Regiment were so—because it was impossible in forming a new regiment to obtain men who had taken the necessary training. But all were ready to qualify in

the customary way, approved in all such cases by the Minister of Militia. Lord Dundonald then quoted a letter written him by Lieut.-Colonel Smart on June 4th. After saying that he had himself submitted the name of Dr. Pickel for the position of Major in the Regiment, Colonel Smart proceeded:

> Dr. Pickel is a gentleman of means, can ride fairly well, and was quite willing to take the necessary time to qualify himself for the position of Major. Mr. Fisher objected to him for no other reason than that he was a strong opponent of his, and was quite determined to block the whole organization, unless Dr. Pickel's name was withdrawn. . . . This, I refused to do, as I had invited Dr. Pickel to come into the Regiment and told Mr. Fisher that some one else would have to be responsible for the withdrawal of Dr. Pickel's name. After my last visit to Ottawa I consulted with Colonel Whitley, and we came to the conclusion that unless we induced Dr. Pickel voluntarily to withdraw, the organization would be hung up indefinitely.

This Dr. Pickel had done. Colonel Smart then gave other instances of interference by Mr. Fisher—notably in the case of Mr. T. R. Pickel who was not allowed to have the Captaincy for which he had been recommended. "Out of five gentlemen," continued the officer, "whom Mr. Fisher recommended for commissions three have absolutely declined to come into the organization so that after all the trouble and worry inflicted upon the Regiment Mr. Fisher has only been able to find two officers, both of whom are unqualified and do not in any way compare with Dr. Pickel whom he rejected." Passing from this letter the G.O.C. proceeded to quote the newspaper report of his speech as being in the main accurate and added a word to the effect that his reference to etiquette at Ottawa had "no application except to official matters connected with my duty."

Replying to the charges contained in this Memorandum of Lord Dundonald's Mr. Fisher gave a second and most vigorous contribution to the debate. After denouncing Lord Dundonald for neglecting the courtesies of official position in giving the document to an Opposition member, the Minister referred to the Conservative leadership of Senator Baker in the district from which Dr. Pickel came; to the fact of the latter being "one of the strongest Conservative workers of the neighbourhood, a family connection of Senator Baker"; to the list of officers from this district as also including Mr. Gibson, a nephew of the Senator and a possible Conservative candidate; and to three other close connections of the same gentleman who were to be amongst the officers. "I told these gentlemen that, putting aside any question of military qualifications, which I afterwards went into, such a list of officers for that squadron, in that neighbourhood, would be held to be an instance of political preference and that it would be impossible to remove from the minds of the people of the District of Bedford the impression that the Colonel who made such recommendations and was responsible for the success of this Regiment had deliberately undertaken to turn that squadron, if not the whole Regiment, into a political

Tory organization." So far as Mr. Gibson and Lieut. Baker were concerned he had withdrawn any objection to the names as soon as he heard that they were properly qualified. In place of Dr. Pickel he had suggested the name of Captain Carr, a well-known Conservative of Compton County. As to the matter of breaking appointments Mr. Fisher expressed some personal feeling. "I think that if Lord Dundonald wished to discuss these matters with me he might very easily have come to my Office instead of calling me up by telephone."

Mr. R. L. Borden, in speaking for the Opposition, declared that Mr. Fisher had taken the ground that he knew what was in the interest of the Militia force in the Eastern Townships better than did Colonels Whitley and Smart—both admittedly capable officers—and the G.O.C. combined. He claimed that in his first speech Mr. Fisher had denied any or all political interference on his part and in his second speech had freely admitted it and gloried in it. Mr. Borden eulogized Lord Dundonald and expressed the belief that if the criticized Memorandum had not been given Colonel Hughes, the G.O.C. would have been the object of a fierce and intentional Government onslaught in the House without a chance of reply or any adequate defence. Sir Wilfrid Laurier followed, in a brief but much-discussed speech. He admitted Lord Dundonald's good motives but deprecated his discretion and then uttered a somewhat famous sentence:*

> **Lord Dundonald, in his position, is charged with the organization of the Militia, but he must take counsel here when organizing a regiment. He is a foreigner—no—**
>
> **Some hon. MEMBERS. No, no.**
>
> **Sir WILFRID LAURIER. I had withdrawn the expression before Hon. gentlemen interrupted. He is not a foreigner, but he is a stranger.**
>
> **Some hon. MEMBERS. No.**
>
> **Sir WILFRID LAURIER. Yes, he does not know the people of the Eastern Townships, where these Light Dragoons are to be enlisted. I doubt if he ever was in the town of Sweetsburg, or in the County of Brome, or the County of Missisquoi, or if he has been in any of these places, it could only have been for a very short period, when passing through.**

The Premier went on to say that Colonel Smart was not a local man himself but was from Montreal and appeared to have fallen "in the hands of certain parties who represented a rather small family compact" of Conservative views. He maintained the right of the Minister of Agriculture to proffer his advice as a resident of the Townships with large local interests. Lord Dundonald appeared to think that the Cabinet must, perforce, accept his recommendations. "Sir, we are not accustomed—I give all credit to Lord Dundonald for good motives—but we are not accustomed to be dragooned in this country. Lord Dundonald, with all the respect I have for him, must learn that this is a responsible Government and that when he sends a recommendation to Council, it is the right—it is the right, I say, notwithstanding what anybody

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* NOTE—*Hansard*, page 4620.

may say to the contrary—of the Minister in charge of the Department, if he does not approve of the recommendation, to strike out any name." Mr. W. B. Northrup, a succeeding Conservative speaker, contended that the G.O.C. had not been treated with proper respect by the Ministers; that he was not a servant of the Government but of the people; that he had been "goaded almost into desperation by the pin-pricks" of the Minister of Agriculture; that Sir F. Borden had refused to do this thing but had stepped aside and let his colleague do it. Mr. F. D. Monk contended that, constitutionally, the Minister of Agriculture had no right to interfere in the affairs of another Department and quoted from the Revised Statutes of Canada (Chap. 41) as to the duties and position of a General Officer Commanding the Militia. He summarized the latter's position and powers as follows:

1. He is charged by statute, under the orders of His Majesty, with the military command and discipline of the Militia.
2. He is the principal adviser of the Minister of Militia and Defence on all military questions; is charged with the general supervision of the military branch of the Department; issues General Orders; and holds periodical inspection of the Militia.
3. He is charged with the distribution, quartering and localization of the Militia; with the preparation and maintenance of detailed plans for mobilization; with the preparation of schemes for offensive and defensive operations; and with the collection and compilation of military information.
4. He recommends to the Minister of Militia and Defence fit and proper persons for appointment to commissions in the Militia; and proposes fit and proper officers for promotion, for staff and other military appointments, and for military honours and rewards.
5. He is charged with the military education and training of the officers, non-commissioned officers and men of the active militia, including the supervision of the Royal Military College of Canada, and the several Royal Schools of Military Instruction throughout the Dominion.

Mr. G. W. Fowler and Colonel Hughes followed on the Conservative side, before the debate closed, and claimed that the best Commander of the Militia Canada had ever had was being driven out of the country because the Minister of Agriculture and his colleagues wished to make the Force a political machine; that both Colonels Whitley and Smart were Liberals in private life and therefore unlikely to promote the appointment of Conservatives in the way claimed by Mr. Fisher; that Sir F. Borden had appeared heretofore to be a good Minister of Militia because he had accepted the advice and publicly, at least, co-operated in many directions with the G.O.C.; that the Premier had intended his remark about Lord Dundonald being a "foreigner or stranger" as an insult; and that the Government as a whole was not sorry to get rid of the British Commander of the Militia.

The Order-in-Council Regarding Lord Dundonald

There was no hesitation in the Government's actual dismissal of the G.O.C. and there was no mincing of words or of phraseology in the Report of the Committee of the Privy Council, which was approved by H. E. the Governor-General on June 14th, and made public the same evening, as an explanation of the

reasons for Executive action. The document did not undertake to consider the details of Lord Dundonald's charges, but took the high ground that his making them at all, in his position, was opposed to the principles of responsible government and rendered his retention of office under the Administration impossible. His action was declared to indicate "a regrettable failure to appreciate the principles of British responsible government." All his recommendations were declared to be subject to the approval of the Minister of Militia and the Governor-General-in-Council. And then the Report took somewhat new ground:

> The power of approval on the part of each of those authorities must of necessity carry with it the right of inquiry and rejection. In the case of members of the Cabinet, while all have an equal degree of responsibility in a constitutional sense, yet in the practical working out of responsible government in a country of such vast extent as Canada, it is found necessary to attach a special responsibility to each Minister for the public affairs of the Province or District with which he has close political connection, and with which his colleagues may not be so well acquainted.

Mr. Fisher was stated to stand for this general responsibility and to represent in a particular manner the Eastern Townships of Quebec. "If, when it was proposed to form a new regiment in that District he interested himself in the work and sought to make the organization effective, he was not merely exercising a right; he was discharging a duty due to the people of the District and to his colleagues in the Cabinet, who would expect him to inform himself of all the facts and advise them before approval by the Cabinet." The Report then proceeded to repeat Mr. Fisher's argument that he did not interfere to give the regiment a new political colour, but to guard against the evil of a political complexion which others were trying to give it. His actual recommendation of party opponents for posts in the regiment was mentioned and it was stated that at the time when the altered list was approved the Minister of Agriculture was "acting for and with the authority of the Minister of Militia, who was absent from the City." A categorical and concise statement followed:

> Even if Mr. Fisher's action had been as erroneously stated there would still have been no justification for the course pursued by Lord Dundonald. Lord Dundonald is an officer of the Canadian Government, a high officer, it is true, but still an officer of the Government, subject to all the limitations which are usually imposed upon public officials in regard to the action of their superior officers. For an official to make a public attack upon Ministers of the Government under which he serves is a proceeding so totally at variance with the principles which must necessarily obtain in the administration of military as well as civil affairs that it cannot with propriety be overlooked. It is impossible to do otherwise than characterize the speech of Lord Dundonald as a grave act of indiscretion and insubordinance.

Lord Dundonald had, in short, according to the Government's view, failed to appreciate his position as a public official and had committed grave errors which, if ignored, would have been fatal to discipline and the due subordination of the Force to constituted authority.

Dismissal of the General Officer Commanding the Militia

The approval of this Report was followed by further immediate action on the part of the Government. At midnight on June 14th Lord Dundonald received a telegram at London, Ont., where he had gone in the ordinary course of duty to inspect the local Camp, signed by Sir F. W. Borden, Minister of Militia and Defence, and reading as follows: "I have the honour to inform you that by an Order of His Excellency the Governor-General-in-Council passed to-day, you have been relieved of your position as General Officer Commanding the Militia of Canada."* On June 15th the Prime Minister informed Parliament that Lord Dundonald had been relieved of his position by the Order-in-Council which he also presented to the House. In the Senate, on the same day, Sir Mackenzie Bowell asked how and why this document had appeared in the press of that morning before being given to Parliament and protested against such action as being without precedent. The Hon. Mr. Scott replied that after approval by His Excellency the Governor-General the document in question was no longer a secret one.

Following the dismissal of Lord Dundonald by the Government came the immediate accession (under the regulations) of Colonel Lord Aylmer, Adjutant-General, to the post of Acting General Officer in Command pending a re-adjustment of affairs in the projected Militia Council. There had been many rumours that Colonel L. F. Pinault, C.M.G., the Deputy Minister of Militia, would receive the appointment but the decision was otherwise. Meantime, in the various Militia Camps throughout the country at which the annual drills were in progress this affair was naturally the great topic of conversation and there can be no doubt whatever that the bulk of opinion at the moment was in sympathy with the dismissed General. Conservative newspapers in commenting upon what they termed the rude and indecent method by which the dismissal had been notified to Lord Dundonald declared that the real reason for haste was the desire to prevent his receiving a public ovation at the London Camp, which would have been naturally distasteful to the authorities.†

In connection with the Order-in-Council, the terms of which have already been considered, there was submitted to Parliament the Report written by Sir Fred. Borden, recommending, as Minister of Militia, the action which the Government subsequently approved. He reviewed the terms of the Montreal speech, his letter to the General Officer Commanding and the latter's Memorandum to Colonel Hughes, and described Lord Dundonald's action as "a breach of duty and official decorum which seems to have been deliberate and which cannot be ignored." He quoted the Regulations of the British Army, which also held good in Canada

* NOTE—Capt. D. O. C. Newton, A.D.C., was dismissed at the same time as his chief.
† NOTE—This compulsory retirement of the General Officer Commanding was gazetted on June 18th.

in this respect, and which prohibited "deliberations and discussions by officers or soldiers with the object of conveying praise, censure, or any mark of approbation towards their superiors or any others in His Majesty's service"; and the Regulations of the Canadian Militia which declared that "It cannot be permitted that officers shall bring accusations against superior officers or comrades before the tribunal of public opinion, either by speech or letters inserted in newspapers, such a proceeding being in glaring violation of the rules of military discipline and in contempt of authority."

The Minister went on to denounce the speech at Montreal and also the handing of the Memorandum to Colonel Hughes as, in one case attacking the Government, and in the other ignoring the Minister to whom respect if not duty was owing. Lord Dundonald's action was described as "an attack upon constitutional government in Canada" and an attempt "to subordinate the civil power to the dictation of a military officer." He quoted the case of Lord Charles Beresford in 1900 and of Sir Redvers Buller in 1901 as showing that the authorities in England would not stand such or similar conduct. He accused Lord Dundonald of misleading his audience by concealing the fact of Mr. Fisher having been acting-Minister of Militia at the time of the trouble, criticized him for not consulting himself during the succeeding month as to the matter, and pointed out that recommendations by the General Officer Commanding had not actual effect or official value until approved by the Minister and passed by Council.

It is impossible to more than indicate here the expression of public opinion upon the policy of the Government in this matter. The subject became so involved with politics that most of the newspaper comment was partisan in its nature. The *Canadian Military Gazette* and most of the independent newspapers criticized the Government more or less from the first—some of them, like the *Military Gazette* and the Toronto *News* with vehemence. The former, in several issues of the paper, declared that Lord Dundonald had only done his duty and that Mr. Fisher had interfered flagrantly and on political grounds with a Militia which belonged to all the people; claimed that the General Officer Commanding had not been insubordinate as he was himself the head of the Militia of Canada and not the Minister who was, as such, not even a member of the Force; stated that any assumption of the General Officer Commanding being subordinate to the Minister of Agriculture was ridiculous; described the Government as being led in this affair by "two incapable Ministers" in a "weak and inexcusable" manner. On July 26th it informed Sir Wilfrid Laurier that "unless Sir F. Borden and Mr. Fisher are removed" the Government could not expect the citizen soldiery of Canada to support them at the polls when the time came for an election. The position of the *News* (June 16th) may be seen from the following extract:

It is a profound pity that a man of his character and distinction and exceptional professional standing should be sent out of the country by order of the Government. There is no doubt that he strove to do his duty, that he served no personal ends, and that he was very desirous of improving and strengthening the Canadian Militia in consonance with the Canadian temper and with Canadian conditions. It is not charged that he came here with settled opinions or sought to apply Old World methods to Canada. He was given neither to intrigue nor to swagger. He was neither cringing nor patronizing. How is it that such a man cannot remain in Canada as Commander of the Militia? We fear there is but one answer to the question. In the Militia Department, as in every branch of the public service, the party interest dominates.

As a rule military men were naturally averse to saying anything. Lieut.-Colonel J. I. Davidson of Toronto, however, declared the dismissal (*Telegram,* June 15th) a thing "to be resented by every self-respecting Scotchman and every militiaman." Colonel Davidson was Conservative in his politics but Lieut.-Colonel H. P. VanWagner of Hamilton, a Liberal, wrote the local papers in strong approval of Lord Dundonald's position while Lieut.-Colonel George T. Denison, also a Government supporter, told the *World* on June 16th that in his opinion the General Officer Commanding was fully justified in his action and declared that he had probably been suffering from political interference for some time. "When the nominations made by the commanding officer had been sanctioned by the General Officer Commanding and submitted by him for the final approval of the Minister, no change should have been made upon the paper without the knowledge and consent of the General Officer Commanding. There need be no wonder that he felt deeply annoyed, and was highly indignant, at the alterations so arbitrarily made which, in effect, made him responsible for a list different from that which he had sanctioned." Upon the other hand a part of the Conservative press expressed the feeling that Lord Dundonald had made a mistake in his manner of dealing with the issue and had made it quite impossible for the Government to retain him in command.

Lord Dundonald Appeals from the Government to the People

A further chapter in this story of a sensational series of incidents was supplied by the Statement which Lord Dundonald issued to the press on Saturday, June 18th, regarding what he termed "the difficulty between myself and the Government of Canada." In this document the late General Officer Commanding declared his protest at Montreal to have been made deliberately, with a full recognition of its gravity, and as being the only means left him of serving the Militia of Canada. After speaking of his hard work at the improvement of the Militia and his sedulous avoidance of Canadian political matters, he proceeded as follows:

I have not sought to impose my policy upon the Minister or upon the Cabinet. I have sought to carry out the plans approved by the Government. In the technical administration of the Force I held that I should be given a fairly free hand. At the same time I was careful to ascertain

and consider the views of all persons interested. I claimed a smaller measure of freedom than is accorded to the general managers of important commercial companies. To make a railway pay it is necessary to leave detail matters of administration largely to the expert official in charge of the system. The managing of a military force is expert work, and the safety of the country is surely as important as the success of a railway. My claim for freedom extended only to the technical side of my work. I had no desire to force my policy upon the Ministry.

Yet from the first he was "constantly hampered by interference" with this technical part of his work and the Eastern Townships' matter was simply "the final incident in a long list of various phases of obstruction." His efforts to benefit the Militia of Canada had been "persistently blocked" and he believed the real evil back of all the difficulties to be "the indifference of the men who govern the country to the welfare of the Force." In the end he had come to the conclusion that all that remained for him to do—and especially in view of the coming discussion of the Militia Bill—was "to let daylight into the working of the system" in a way which, though unpleasant to himself, would be sure to bring the matter prominently before the public. An official protest to the Government would have been pigeon-holed while his own resignation, followed by a statement of reasons, would have been soon forgotten. Hence a decision—precipitated by Mr. Fisher's interference with the Light Dragoons—to "speak out no matter what the consequences."

Lord Dundonald then dealt with his "suppressed" Report of 1902. The part not published contained his description of the condition of the Militia and an outline of a comprehensive scheme for its re-organization. "The part was fully intended for publication. It contained nothing that could be described as a military secret. It covered matter such as is constantly made public in Great Britain and the United States." In his opinion the information was of a character which the people should have before them. It was suppressed against his protest and was not marked "private" or "confidential" or "secret." From this matter he passed on to the condition of the Permanent Corps which, last year, had an establishment of 995 with 207 under strength, 277 enlistments and 154 desertions; referred to the Ordnance Corps in which he declared that Sir F. Borden "was anxious to have a number of senior and highly-paid posts" and had, in his absence from Ottawa, increased the number of officers so as to give seven Lieut.-Colonels to a Corps of 100 men; and mentioned the case of Colonel Gregory as one in which the Minister had acted against his recommendation and against the interests of the Regiment concerned.

In connection with the Scottish Light Dragoons' matter he dealt with the difficulty of getting qualified officers for the Militia and the dual necessity of having local support in the formation of a new corps and of trusting the opinion of the Commanding Officer intrusted with that duty. Lord Dundonald then referred to the "peculiar coincidence" by which, for the first time in his

recollection, Mr. Fisher had been acting-Minister of Militia on the very day this issue was to be decided. As to the Memorandum, he had received no request from the Minister for an explanation or statement and had felt no assurance that if he submitted one to him it would be read to the House. If he had not given Colonel Hughes the information which he asked for a one-sided version only would have gone out to the country. Passing to Militia conditions he declared that his hands had been crippled in attempted improvements and instanced various matters in which his advice had been rejected or his plans side-tracked. And then, with words of affection and farewell to the Force as a whole, he made the following somewhat startling declaration:

> It may be a matter of indifference to some whether the Militia lacks guns, rifles, ammunition, equipment and all that is necessary to make a fighting force efficient. It may be a matter of indifference to some whether the great North-West with its splendid fighting material be left in a defenceless state, without a gun, and with patriotic offers to organize urgently-needed corps ignored. Above all, it may be a matter of indifference to some whether other considerations besides military considerations influence the choice and advancement of the military leaders of the people. But as I am now free to speak more openly on matters I have often referred to in public, I desire here emphatically to warn the people of Canada that though they may be indebted for the integrity of their territory, and, indeed, their national existence, to the forbearance of others, they are, as regards their preparation for war and their state of readiness to successfully resist aggression, living in a fool's paradise.

Sir Frederick Borden was seen at Niagara on June 20th by a correspondent of the Toronto *Star* and replied at some length to these charges and statements. The proposals in the 1902 Report were, he said, based largely upon matters of policy and would, therefore, have to be dealt with by the Government before presentation to Parliament. Hence the suppression. He went on to express resentment at Lord Dundonald's "autocratic attitude" and described the latter's statement as indicating "the dishonest course of remaining in the employment of the Government and under the control of the Minister of Militia, simply and solely to look out and watch for something by means of which he could do the Minister the utmost possible harm while all the time pretending loyalty to this Government and loyalty to myself with whom he was on the best possible terms." He stated that his instructions to the General Officer Commanding had been upon several occasions disregarded. His answer to the charge of indifference to Militia interests and advancement was a list of reforms, etc., effected by the Government which may be summarized as follows:

1. Arrangements giving an annual drill for the whole Militia.
2. Rigid limitation of the term of regimental command in order to give the young men a chance.
3. Establishment of a Reserve List of Officers.
4. Establishment of Cadet Corps and Battalions.

5. The obtaining from a well-qualified Commission of a well-thought-out scheme of Canadian defence.
6. The securing of medals and decorations for veterans.
7. The setting of a higher standard of qualification for officers.
8. The establishment of a Medical Service Branch, a Pension system, a School of Musketry and an Intelligence Department.
9. The organizing of a Corps of Guides and an Engineers' Branch; the encouragement of Rifle Associations; and the changing of the Stores' Branch into a more efficient Ordnance Department.
10. The increase in capacity of the Dominion Arsenal from 1,000,000 rounds a year to 2,000,000 rounds; the establishment of a small arms factory and of steel gun-carriage factories.

In the Toronto *Globe,* on the same day, the Minister dealt especially with the Gregory case and declared his examination into the details to have been very careful. Colonels Otter and Lessard had combined in asserting Dr. Glasgow to be duly qualified and he charged Colonel Gregory with simply wanting to retain the command himself. As to the Ordnance Corps matter officers were needed for the widely scattered Districts. One of the two Lieut.-Colonels whom Lord Dundonald proposed to reduce in rank, was, he said, a French-Canadian and the only one on the list. Meanwhile, on this same date, there appeared in the London (England) *Daily Mail* an interview with Lord Dundonald which stated explicitly that in the matter of arms, ammunition, and equipment "the Militia has been deliberately starved by the Government and the true state of matters has been withheld from the people just as deliberately." His advice as to the future was clear:

Wise statesmanship would endeavour to promote, as much as possible, an intimate alliance between the small instructional corps of Canada and the Imperial military system, at the same time so arranging matters that should any Militia officer desire a military career he could obtain an Imperial commission, attain experience and, if well recommended, command the Canadian Militia or any other force of His Majesty's troops. His position as an Imperial officer with an assured future, which political spite could not take away from him, would place him in a strong position to resist intrigue. I am within the mark in saying that the great mass of officers and men of the Militia would deplore the loss of the tie which has for so many years bound them to the British Army.

At this time also some of the correspondence which had passed between the Hon. Mr. Fisher and various gentlemen in the Eastern Townships regarding the Scottish Dragoons was presented to Parliament. In these letters the Minister of Agriculture insisted upon military experience; credited Colonel Smart with good intentions but charged him with getting "into contact with the wrong people"; and declared that if his advice had been asked at first the difficulties might all have been avoided because of his local knowledge. The press comments upon these documents and Lord Dundonald's Statement, in particular, were along the lines already indicated in connection with the dismissal. One exception there was, however, in the *Globe* (June 21st) which charged

the wildest flights of militarism and extravagance against the late General Officer Commanding and based the allegations, by implication, upon the suppressed part of the 1902 Report which was, of course, not accessible to the public and could not even be quoted by the General who had written it. The paper pointed out at a later date, in answer to Conservative charges of Government indifference that the former Government had spent $7,960,813 upon the Militia in 1891-96 and the present one $11,263,184 in 1897-1902—with an additional expenditure on capital account of $2,973,947 in the latter period.

Parliament Discusses the Dismissal of the General Officer Commanding

On June 23rd the Opposition Leader rose in the Commons to direct attention to the Government action and to move a Resolution of censure and regret. In his speech he made the dismissal of Lord Dundonald entirely subsidiary in importance to the fact, or otherwise, of the charges made by the General against the Government as to the introduction of partisan control and manipulation into Militia affairs. The truth of these charges he accepted as conclusively proved and in this respect the late General Officer Commanding had, he thought, rendered a great service to the country at the sacrifice of his own position. Colonels Smart and Whitley did not appear to have been influenced by any political considerations whatever and there was not a tittle of evidence to indicate such a thing. Both were Liberals but both were anxious for a good regiment and for good men in command. Mr. Fisher had been the disturbing element. Correspondence was read showing the submission of names, lists, etc., by Colonel Smart to the Minister of Agriculture instead of to the Minister of Militia and from one of them the following extract in particular: "Would he (Dr. Dyer of Sutton) be acceptable to you? I would be glad to hear from you as early as possible about this matter to enable me to complete my staff." Prolonged delays and continuous hampering changes had been the result, he declared, of this political interference with the General Officer Commanding and with the organizing officers of the new Corps.

Mr. Borden went on to point out that on the 19th of May Mr. Fisher had cancelled the name of Dr. Pickel from the final list submitted by Lord Dundonald and had then, without consulting the latter, inclosed the draft General Order, thus changed, in a covering letter to His Excellency the Governor-in-Council with this concluding phrase: "the same having been recommended by the General Officer Commanding." He claimed this, on the face of it, to be a false statement. As to Lord Dundonald, he had been devoted to the interests of the Militia but "in everything he attempted to do he has been hampered, impeded, thwarted and obstructed by the very authorities to whom he was entitled to look for support until, finally, finding his usefulness gone he sought to arouse public opinion in order that better Militia conditions might

prevail in Canada." He would leave this country with the regret and respect of the Militia and of all men sincerely devoted to its welfare. Mr. Borden then moved the following Resolution:

That the selection and appointment of officers in the Militia should be made without regard to party political considerations which, if permitted to exercise an influence, will prove disastrous to the efficiency of the Force.

That while the Minister of Militia is charged with and responsible for the administration of Militia affairs the General Officer Commanding is by law charged under the orders of His Majesty with the military command and discipline of the Militia and with the duty of recommending to the Minister of Militia fit and proper persons for appointment to commissions therein.

That the conduct of the Hon. Sydney Fisher, Minister of Agriculture, in interfering with the commanding officer of the 13th Scottish Light Dragoons while that officer was engaged in the duty of selecting his subordinate officers for the approval of and for recommendation by the General Officer Commanding; and the action of that Minister in interposing party political influence between the General Officer Commanding and his officers and in requiring recommendations and appointments to be made or disallowed from party considerations, deserves and should receive the censure of this House.

The House regrets that this unwarrantable interference has been approved by the Government, and that it not only has unduly delayed the organization of the Regiment, but has culminated in depriving the Militia of Canada of an experienced and distinguished commanding officer.

The Hon. Mr. Fisher followed and, after designating the Opposition Leader's argument as "disingenuous quibbling," claimed that his own interference was "a protest against the political complexion of a certain squadron in the Regiment" and was fully justified. Local knowledge was necessary in such organizing work and local knowledge he had in abundance. Colonel Smart was a stranger in the Bedford District and had mistakenly got into the hands of a certain political element—the Baker family. The list of officers was sufficient evidence of this, he declared, and would have made the squadron not only a Tory organization but a family compact. In striking out Dr. Pickel's name he had carried out the intention and wish of the Minister of Militia. He defended his action on social and local grounds and not as an interference with military qualifications or control. Lord Dundonald, he claimed, should have resigned in the ordinary way and made his protest in a letter accompanying the resignation. As to Mr. Borden's Resolution the most significant feature of it, he thought, was the failure to endorse the conduct of the late General Officer Commanding.

The speech of Mr. F. D. Monk, which followed, was significant as coming from a French-Canadian and because of its unstinted endorsation of Lord Dundonald. "He is recognized in the Province of Quebec as having been probably the most sympathetic, the most earnest, the most capable Commander we have had in this country." After denouncing the manner of the dismissal, the lack of ordinary courtesy in neither asking explanations nor sending

a messenger with notice of the Government's action, he proceeded to define certain prerogatives still left in the hands of the Crown in Canada—that of mercy, that of the fountain of honour, that of initiating financial legislation, that of concluding treaties, and that of the command of the troops. This latter was now being taken away. Mr. Monk went on to quote the Militia Regulations under which the General Officer Commanding alone had the right to present to the Minister of Militia a list of those entitled to commissions or promotions. Neither the Minister of Agriculture nor any other person had this right under the law. And then he touched the constitutional point in another aspect:

> The Minister of Agriculture was in reality the acting Minister of Militia. But, Sir, there can be no such thing as an acting Minister of Militia, or an acting Minister of any Department unless authority has been duly conferred upon him in the proper way. . . . The Minister in charge of a Department is constituted under the great seal of Canada with certain regular formalities, and he cannot be replaced, even temporarily, unless certain formalities are gone through and unless the Cabinet has sanctioned the change. But there never was any pretence of conferring that authority on the Minister of Agriculture.

Sir Frederick Borden then addressed the House and claimed that there was no question at issue as to the speech of Lord Dundonald having been "absolutely indefensible and in violation of every rule which controls an officer of the Government." He quoted the views of Mr. Childers and Lord Cardwell as to the relations of the Army Commander in Great Britain to the War Office and applied them to the present situation in Canada. A protest then followed against the late G.O.C. having, in this organization matter, gone outside the District concerned for officers to take up the work and thus passed over Lieut.-Colonel Alexandre Roy, D.O.C. Perhaps, the Minister hinted, it was because "he happens to be a worthy French-Canadian." He went on to denounce "the moral and mental make-up" of a man who could hold the personal relations with himself which Lord Dundonald had maintained and yet could, week in and week out, look for an opportunity to precipitate a crisis like the present. The latter's phrase regarding a difficulty between "myself and the Government of Canada" was characterized as a "concentrated exhibition of egotism and self-assertion." The gentleman in question had much to learn, however, before he became "Dictator" in Canada. Any interference there had been with the Militia was interference by the regularly constituted authorities of the people of this country.

As to the suppressed Report he claimed to have been entirely within his rights as a Minister in the matter. He considered it confidential and of a character unfit for present publication and to this opinion and action he adhered. The letter enclosing the original Report to him—which he read to the House—was marked "private" and he read further correspondence showing, in short, that he did not think it within the scope of a Departmental Report

"to propound a scheme or policy of defence."* He had never received a protest regardng the matter. As to change in a subsequent Report made without the knowledge of the G.O.C. there was nothing clandestine about it. "I insisted upon my right as head of the Department to say what should appear in my Report." The Minister then defended himself in detail, and at length too great for analysis here, against Lord Dundonald's other charges giving, incidentally, a long list of reforms and useful changes effected in the Militia under his guidance as Minister. They have been summarized elsewhere in these pages. He concluded his speech with another reference to the 1902 Report by expressing his willingness to submit the document at any time to the consideration of a private Committee chosen from both sides of the House.

On the following day Lieut.-Colonel S. Hughes resumed the debate in a long and vigorous attack upon the Government. His chief points were (1) that the Minister had told the House that the Report of 1902 was secret and confidential and that Lord Dundonald said it was neither—his private covering letter having nothing to do with the official document in that respect; (2) that under the constitution only the Prime Minister could act for another without being sworn in and that, therefore, Mr. Fisher had no status in his interference; (3) that defiance of a Government is sometimes right as in the case of Hampden and William of Orange; (4) that Lord Dundonald was quite right in refusing to obey the Minister's instructions not to speak in British Columbia about the Alaskan affair and that the instruction was a part of the Government's policy of creating, or encouraging, anti-British prejudice and feeling over that affair; (5) that the Minister of Militia was guilty of a breach of etiquette in sending instructions to the General Officer Commanding through his Deputy Minister and the Hon. Mr. Fisher of many and various breaches of etiquette in this whole matter; (6) that the trouble was due, in the main, to a desire to get rid of the British Officer in Command, to remove another link with the Empire and to pave the way, perhaps, for a future movement against the Governor-General. He earnestly defended the position of, and the necessity for retaining, a British General Officer Commanding. Mr. Benjamin Russell followed in an able defence of the Government along constitutional lines. Better, he concluded, that the name of every soldier and sailor in our history should be blotted from its pages than that Canadians should abate one jot or one tittle of the principle which subordinates the military authority to the civil.

Sir Wilfrid Laurier prefaced his remarks with a similar reference to this trouble as being one more of many past struggles between the military power and the civil power. Lord Dundonald was a man of honour and good intentions, but it did not follow that he was a leader of men or that he could not go wrong. As to his position

* NOTE—*Hansard*, 1904, pages 5437-9.

the Premier quoted from Todd on *Parliamentary Government* as follows: "The duties of this officer are analogous to those performed in England by the Commander-in-Chief of the British Army and he is, in like manner, subordinate to the civil power and subject to the direction of the Governor-General through the Minister of Militia." He had no right to prepare a Report for publication and popular discussion; that was a matter of policy and Government concern. Reference was also made at length to British debates concerning the relations of the Commander and the Secretary for War in England. He summarized this part of his subject in the remark that "so long as there is a Liberal Government in Canada the civil power shall rule the military." Turning then to his "slip of the tongue" on a previous occasion in referring to Lord Dundonald as a "foreigner, or stranger," Sir Wilfrid quoted various literary references in which the words were used interchangeably and concluded with an eloquent personal plea in this connection:

> Sir, I have been told that my meaning was contemplated, was offensive, and insulting. I have been in this House for many years, I have seen some of the veterans of former combats pass away, I have been engaged in combats with some of them, I have fought a good many hard struggles, but I am not conscious in all the years of my life, in all the struggles in which I have been engaged with gentlemen on the other side of the House, I am not conscious that I ever deliberately used an offensive word towards any man or towards any class. I never sought a fight, but I was never afraid of a fight. Whenever I had to fight, I think it will be admitted by friend and foe that I always fought with fair weapons. I have been told to-day on the floor of this House twice that when I used the word 'foreigner' there was in my heart a sinister motive, there was in my heart a feeling which found expression. Sir, I have only this to say. I disdain to make reply to such an insinuation. If sixty years of what I believe to be, after all, an honourable life, a life which has certainly been one of loyal devotion to British institutions, is not a sufficient answer to such an insinuation, I will not attempt to make an answer.

Mr. Chase-Casgrain followed and voiced a Conservative and French-Canadian appreciation of Lord Dundonald's services as "the best Commander we have ever had." He then went at length into a history of the political and personal differences between Mr. Fisher and Senator Baker. After Mr. A. B. Ingram had asked what was the use of having an experienced and distinguished soldier as General Officer Commanding if his recommendations were to be side-tracked or refused, Mr. Borden's Resolution was voted down by 84 votes to 42.

The subject was again debated in the House on June 29th when the Hon. J. G. Haggart made a motion for certain documents in the case. He claimed, with vigour, that there had been no issue of civil against military power. The General Officer Commanding had certain functions and authority by Act of Parliament as had the Minister of Militia and the former had not exceeded his powers in presenting a Report for publication or in expecting his recommendations as to appointments to be passed by Council with-

out change, or else referred back to him for re-consideration. He denounced Colonels Whitley and Smart as conspiring with the Minister of Agriculture behind the back of the General Officer Commanding. In his reply the Premier laid stress upon the fact that a Minister's Report was one dealing with events which had occurred in connection with the actual state of the Militia and not with future possibilities or policies. Mr. R. L. Borden's chief point, in his succeeding speech, was that the Minister of Agriculture had violated constitutional usage and the rights of the people in interfering with the G.O.C. in his performance of statutory and defined duties. He made an amusing point against Sir Wilfrid in the "foreigner" incident by quoting from "the well of pure and undefiled English," Ephesians ii. 19: "Now, therefore, ye are no more strangers and foreigners but fellow-citizens with the saints."

On June 30th Lord Dundonald replied briefly in the press to Sir F. Borden's speech in the House. He characterized the Minister's reference to Colonel Roy as "an appeal to race feeling" and pointed out that all the names had gone through this officer in ordinary course and that he had himself appointed Colonel Roy to the command of the Camp at La Prairie which included Colonel Whitley's cavalry brigade. As to the personal charge made by the Minister he stated that since the beginning of March he had not had an interview or meeting with Sir F. Borden and that was before the "mutilation" of his 1903 Report. The "private" letter had covered both parts of the 1902 Report—that which was published and that which was not. If the word referred to the document at all it must have included the whole.

Lord Dundonald's Great Reception in Toronto

Only occasionally are the Canadian people, or any portion of them, aroused to such a pitch of enthusiasm as was the case in Toronto on July 15th when the late General Commanding the Militia was welcomed at Massey Hall by 5,000 cheering people and upon the streets afterwards by a throng which, ere the station was reached, was in a condition of almost mad excitement. It reminded many of Pretoria Day. The formal Reception by the Committee was of a non-partisan nature, though the guest was given to understand that there was no desire to limit his personal freedom of expression. Mr. J. F. Ellis, the Chairman of the meeting, welcomed him to the city as a gallant citizen of the Empire. He stated that "in his duty as Commanding Officer, and by his kindness and consideration, he has won the heart of every member of the Militia." Mr. John Shaw, as Acting-Mayor, followed in patriotic expressions, and the Rev. Dr. John Potts utilized his well-known eloquence to eulogize the family, the achievements, the Canadian work and the Imperial genius of Lord Dundonald. Mr. Barlow Cumberland reminded the audience that their guest had laid down a system which the Government had partially put into force and which had commended itself

to the Militia as a whole. He described Lord Dundonald as a skilled soldier, a gallant man, and a true gentleman, and declared that "from the time of Brock there had been no such lofty soldier at the head of the Militia of Canada." The Address was then presented. It contained various personal references, and the following paragraph regarding the Militia, but was without political comment or criticism:

> The reforms introduced at your initiation into our Militia system have met with widespread approval among the citizens at large, and particularly among the members of our various Militia Corps. We believe that the important changes which you have inaugurated and the plans which you have formulated tend to the great advantage of the military forces of the country and have been well calculated to place the Militia on a better footing; to bring about organization on reasonable and sensible lines; to improve the system of instruction and, in short, to make the Militia an efficient force, admirably adapted to the life of our people and to the fulfilment of our duty to the Empire.

Lord Dundonald presented a deliberate and carefully prepared statement of his case—premising that nothing was more important to a nation than the efficiency of its defences. "I was convinced that matters in this connection were indeed far from satisfactory and I turned on the searchlight." All saw the evil, but there was nothing some people disliked more than the truth. Instead of there being any dragooning on his part he was upholding the principle of the Constitution and of Magna Charta—"freedom and even-handed justice to all men regardless of political party." He had seen many lives lost in war through blundering incompetence, and he warned Canadians against such a result in their own case. "If the people are careless and indifferent regarding the administration of their Military system so in the end they will get a lax and worthless system." Officers in charge of the Militia administration, he pointed out, were only human and with family and personal interests depending upon their positions would only resist political interference up to a certain point.

The speaker then proceeded to protest against the non-publication of his 1902 Report. He believed in taking the people into his confidence and there was nothing in that document which it would have been injurious to make public. Many of the recommendations contained in it had since been carried into effect. Like his predecessor he had urged a larger supply of ammunition and warlike material; he had advised the establishment of an ammunition factory in Ontario to supplement the Quebec one; he had deprecated the entire lack of engineering equipment, of ammunition carts, of pack-saddles for carrying ammunition, of water carts, of machine guns; and he had urged the provision of a central training camp. Against his advice the Government had decreased the allowance for Schools of Instruction—"notwithstanding the fact that a very great number of the officers of the

Militia were professionally unqualified" and that the new regulations, coupled with the large recent increase in the number of officers and non-commissioned officers, vividly indicated the necessity for more such Schools.

Turning to the charge of Militarism made against him he pointed out that the system proposed by him and which was now organized (on paper) provided for "an organization of more purely civilian and non-professional type than has been adopted by any country" and intimated that Sir Wilfrid Laurier's recent statement that he would like to see a corps of volunteers in every village of the land was Militarism without efficiency. "How could such a force be utilized without organization, without officers, without equipment, without any method of communication between different portions of it, without maps or military information, without artillery, without engineers?" Far better was the present plan of "a well-equipped and well-trained skeleton force." The charges of Militarism against himself were based upon the fact that he wished the organization and arrangement already accepted by the Ministry to be carried to its logical conclusion and "our country" placed in a "safe and sound position." As to the charge that he had recommended the construction of a series of fortresses along the frontier* it was "almost incredible that hallucinations of this description should be fabricated and attributed to me without the slightest shadow of justification."

The only possible basis for such an allegation was that before he came to Canada the Government had decided to place a few guns at two strategical points on the frontier and that he had worked out detailed schemes for their location based, however, upon a general organized system of Militia defence instead of a permanent fortification. Lord Dundonald then referred to the description of him in *La Presse,* of Montreal, as "an Imperial Monster," an enemy to Canada, etc., and asked what he had done to deserve such a description. His utmost endeavours had been to build up "an efficient force of citizen soldiery," in a constitutional manner, and with a view to defence as effective as Canada's resources would permit. He resented also the statement by Mr. Goldwin Smith in the *Farmer's Sun* that he represented Imperial interests which demanded Canadian contributions to Empire defence and asked where the writer got his authority for such a statement? He was here solely to serve Canada and he had never in document or speech urged such a policy although he knew well that in time of need aid would be ungrudgingly given. After references to the Ponton incident when he had "stood between the Minister of Militia and his prey" and an earnest denial of the

* NOTE—*The Globe*, June 21st, 1904: "It has leaked out that Lord Dundonald advised an expenditure on armaments and armouries that aggregated a sum which was variously estimated at from $35,000,000 to $40,000,000. As we understand it, Canada was to assume a most aggressive attitude. Great fortresses were to be built along our borders, and if His Lordship had had his way we may presume that the Jingoes in the United States would have replied with fortresses five times as formidable, so that within a few years the borders between these two peaceful nations of this western hemisphere would have resembled that between France and her neighbours in the time of Louis XIV."

insinuations regarding relations with the French-Canadians, Lord Dundonald concluded an eloquent speech with the declaration that he left his case with confidence to the judgment of the people of Canada.

In the afternoon prior to this meeting Lord Dundonald had received the local Army and Navy Veterans' Association and in reply to an Address had referred to his effort to bring the Canadian Militia into closer touch with the British Army. He had recommended the bringing of certain Regiments here into affiliation with certain British Regiments as what are termed "Sister Regiments"; each one having this fact indicated on its insignia. For instance the 48th Highlanders of Toronto and the Gordon Highlanders would, he hoped, be thus united. Then came the great reception and afterwards the departure amid scenes of wild enthusiasm. The comments in the city next day indicated a remarkable feeling of sympathy with the late General Officer Commanding though there were some exceptions of a political character. The Liberal press took the ground at once that the Conservatives had engineered feelings of personal admiration and the loyalist sentiment of the citizens into a demonstration against the Government and that Lord Dundonald had been blameworthy in allowing himself to lead such a movement. The *Globe* (July 16th) declared that "the whole demonstration was by the deliberate and premeditated act of the distinguished guest of the evening turned, so far as he had power and opportunity to turn it, into an affair of the most undisguisable political purpose." The *Star* alleged that he had deliberately thrown himself into the arms of the Conservative party; though it said nothing about its own unpleasant attitude towards Lord Dundonald during the first year and a half of his term in Canada.

In an interview in the *World,* the Chairman of the meeting declared that the Liberals, of whom he was one, had some cause of complaint and that the *Globe* was right in its criticism; while Mr. E. B. Osler in Parliament, on July 20th, stated that the former had told him clearly on the afternoon of the meeting that the Committee had agreed to make no allusion to politics in their Address, that Lord Dundonald was to be "free to say what he liked," and that they did not intend to proffer any suggestion in the matter to him. On the evening before the affair, also, it may be said, the *News* had stated it to be idle to suppose that the coming demonstration would not be directed against the Government. It could not be otherwise. This ground had also been taken by the Conservative papers.

Other Farewell Demonstrations to Lord Dundonald

Following this incident it was proposed at Ottawa to get up a great farewell demonstration and the *Citizen* (Con.) was strenuous in its advocacy, while the *Free Press* (Lib.) was bitter in its opposition. "Let Lord Dundonald get home, let him go quietly," said the latter paper on July 22nd, and "when he calmly considers his insult to Canadians he will be

ashamed of himself. He ought to be." Despite this, however, many prominent Liberals did join in the affair although the Prime Minister refused a suggestion for the adjournment of Parliament to enable Members of Parliament to participate in it.

When Lord Dundonald, on the evening of July 26th, appeared in his carriage—after leaving his residence where he had received and said farewell to the Mayor and Council and the Warden and County Council—he passed through streets thronged with cheering masses of people toward the station. Whether they numbered 20,000 or 40,000, as the two contentions stood, there could be no doubt of the almost wild enthusiasm which prevailed. Preceded by a Scotch Regimental Band and followed by carriages containing many prominent citizens and members of Parliament, it was not long before the General's horses were detached and his carriage drawn by willing veterans to the station. Flags fluttered everywhere and the hero of the day stood in the carriage shaking hands with the pressing masses of people around him until he must have been exhausted. At one point there was a pause and a momentary lull when Lord Dundonald said in earnest tones: "Men of Canada, keep both hands on the Union Jack!" A little further on amid repeated cheering he used the same words again. At the station the scene was unique and it is probable the cause of the enthusiasm will never forget the fifteen minutes in which he had to let his hands be shaken by a continuous living wall of cheering, pressing, men and women. At last the train was reached, final cheers given and farewells uttered and Lord Dundonald had left a scene which had perhaps proved a greater physical strain than many of his more famous battles. "It was," said the *Citizen*, "the wildest scene of enthusiasm and excitement that Ottawa has ever witnessed."

On the way to Montreal cheering crowds greeted the train at various points and a brief stop was made at Alexandria where Addresses were presented by the Warden of the County and by a French-Canadian Deputation with bouquets of flowers to Lord Dundonald's sister, the Lady Elizabeth Cochrane. In his reply the late G.O.C. urged the Scotchmen to continue the organization of their projected Regiment, to encourage the Militia, "to serve your King and keep Canada to the Empire." To the French-Canadians he also spoke in their own language. At the station in Montreal, and despite the rain, a large and very enthusiastic crowd was gathered. To the music of bag-pipes, the waving of flags, and the accompaniment of cheers Lord Dundonald was carried to the Windsor Hotel upon the stalwart backs of some admirers. There, in the rotunda, he tried from his not very steady position to thank the cheering mass of humanity around him—concluding with something very similar to his Ottawa words: "Of one thing I feel certain. You have both hands on the Union Jack. If any man tries to cut your grip away the Militia of Canada will stand by you." The following morning Lord Dundonald

spent quietly receiving visitors and deputations from the Scotch Societies.

In the evening he was banqueted at the St. James' Club by a number of personal friends. Mr. C. R. Hosmer presided and amongst the speakers were Sir W. H. Kingston, Mr. F. D. Monk, and Sir T. G. Shaughnessy. On the 28th he attended a reception given by the Caledonian Society and another by the St. Andrew's Society. The South African Veterans he received at the hotel and in the evening was escorted to the station with the same enthusiasm as he had been brought from it and left Montreal with shouts and cheers still ringing in his ears. Early next day Lord Dundonald arrived in Quebec and was at once waited upon by the leading citizens. Many flags were flying in the city and at one o'clock he was entertained at Luncheon in the Chateau Frontenac by some hundred representative citizens with Lieut.-Colonel R. E. W. Turner, V.C., D.S.O., of the Queen's Own Hussars in the chair. Amongst those present were Lieut.-Colonel Roy of the 8th Royal Rifles, the Hon. L. P. Pelletier, Messrs. W. Price, V. Chateauvert, G. G. Stuart, K.C., W. Molson Macpherson, A. Bernier, K.C., F. X. Drouin, K.C., C. A. Pentland, K.C., and many other officers and prominent business or professional men.

In his speeches the guest of the evening used alternately English and French. His last words in Canada were these: "No Commander has ever had more loyal soldiers to command than I had in those of Canada. I can say with confidence that they are men who will keep both hands on our flag." Shortly afterwards amid cheers from the crowd on shore and in the surrounding boats the *Tunisian* steamed away for England bearing with it the most popular and distinguished British soldier who has ever come into close contact with the people of modern Canada. An interesting and much-quoted reference to this series of popular demonstrations was given in an interview accorded the *British Weekly,* on Aug. 13th, by the Rev. Mark Guy Pearse upon his return from Canada: "The demonstrations at Toronto, Montreal, and Ottawa were most remarkable and were based on something far deeper and more permanent than mere political feeling. Had such a result been anticipated the Government would never have allowed the quarrel to go so far."

The Dundonald Affair as seen by the British Press

Meanwhile the issues of this incident were being complicated by British comments which—in the abbreviated, summarized form permitted by the limitations of the Canadian Associated Press—could hardly be described as satisfactory. As in the time of the Alaskan Boundary affair people in Canada were bewildered by statements and views dictated by English partisan considerations and were without the guidance of any explanatory reference in Canadian papers as to this most important phase of the subject. In such cases as the Alaskan Boundary incident, the Liberal papers in Great Britain are naturally pro-American and include most

of the vehement supporters of the Peace party; in such a matter as the Chamberlain movement, the party division is still more accentuated and the comments are dictated by a party necessity, on the Liberal and Radical side, of minimizing the Colonial aid and sympathies and commercial importance upon which Mr. Chamberlain so greatly depends for ultimate success; in such an affair as that of Lord Dundonald the Liberal press is instinctively and traditionally anti-military, whether well-informed or otherwise upon the local environment and points of any specific question.

So far as the comments of Conservative or Imperialistic papers such as the *Times* were concerned there are two factors which the average Canadian naturally does not bear in mind—first, the great respect in connection with Colonial questions, as with Home issues, which the British mind has for anything official, or in other words for any statement directly emanating from Government sources; and, secondly, the natural and diplomatic desire existing to see the best side of any Colonial controversy involving a Government which might then, or in the near future, be in correspondence and negotiation with the Imperial authorities over wide and delicate Empire questions. Hence the great importance of the Canadian Government's action in having the Order-in-Council, giving reasons for the dismissal of Lord Dundonald, cabled at once to the leading British newspapers. It may be added here, also, that for the Canadian Associated Press to quote journals like *Reynolds' Weekly,* which has always been consistently Radical in the extremest degree as well as anti-Colonial and anti-monarchical in sentiment; or the *Freeman's Journal,* of Dublin, which represented the most ultra anti-British view of Irish extremists; was not calculated to give Canadian an accurate or pleasant estimate of British opinion—especially when no explanation was afforded as to the school of thought represented by such journals.

According to the cable despatches which began to deal with this particular question on June 13th the London *Chronicle* (Rosebery-Liberal) considered Mr. Fisher to have acted well within his rights and the Government's only course to be the cancellation of the appointment of a singularly well-qualified soldier; the *Freeman's Journal* thought Sir Wilfrid Laurier had once more proved to those who "think imperially" that Canada is really an independent country; the *Daily News* (Radical) declared the resistance to dictation at Ottawa to be as strong now as it was at Boston in 1775 and advised the leaving of Canadians alone to manage their own little Army; the Glasgow *Herald* (Cons.) thought that if Lord Dundonald was indiscreet the provocation offered was insulting; the *Westminster Gazette* maintained that while the General Officer Commanding might be right in his contention he was wrong in his method of action. The London *Times* (not cabled) of the following day reviewed the situation briefly, referred to previous incidents indicating partisanship in the Militia, and then proceeded as follows:

Ministers may have a constitutional 'right' as Sir Wilfrid Laurier asserts, to revise the appointments made by the General Officer in Command, but it is a right which they are bound to exercise solely in the interests of the force and of the country, and not in their own interests or in the interests of their party. No soldier who has at heart the welfare of the Militia and of the Empire which is proud to reckon the force amongst the finest of her voluntary defences, will ever acquiesce in any system which subordinates the efficiency of the service to the party exigencies of politicians, whatever may be their rank or their authority. No soldier worthy of the name would accept a command in which he was expected to commit so grave a breach of duty. Lord Dundonald has been indiscreet, but if his indiscretion turns the attention of the people of Canada to the insidious mischief which threatens the whole fabric of the military organization of which they and we are so justly proud, it will prove to be one of those timely indiscretions which are very healthful to the commonwealth.

On June 15th the Government's cabled Order-in-Council appeared in the press and comments were many though, of course, facts as to the other side of the question were very slightly available. The London *Daily Telegraph* (Unionist) censured Lord Dundonald for airing his grievance in public and declared his return home unavoidable; but deprecated the Canadian Premier's use of the word "foreigner" or "stranger" as most offensive. It thought none of the parties to the quarrel had reason to feel proud of it and declared that Sir John Macdonald, with his British views, would have stood by the General Officer Commanding through thick and thin. The Manchester *Guardian* (Lib.) deprecated the formation of any Dundonald party in England, or in Canada, or the starting of any agitation in the matter, as being inimical to Imperial unity. The London *Standard* (Conservative and anti-Chamberlain) quoted on June 16th the official Order-in-Council as proving that "the suspicions which Lord Dundonald entertained were unfounded and that the member of the Cabinet whose conduct he condemned had, in fact, been guided by the very principle which he supposed to have been culpably set aside."

The London *Globe* (Con.) thought that a mistake in the manner of Lord Dundonald's protest was no excuse for the cavalier treatment he had received and that his declaration stood for the sound doctrine that party interests should not come before those of the Militia. The Liverpool *Mercury* (Lib.) considered the method of action wrong but thought an officer of such rank and reputation should not have been dismissed without consultation with the Imperial Government. The London *Morning Post* (ultra Tory) declared the dismissal unavoidable. The principle of no political interference in the Militia was sound, but the principle of no criticism of the Civil Government by a soldier was still more fundamentally sound. The *Daily Chronicle* considered the Order-in-Council irrefragable in its conclusions but severe in its terms; while the *Daily Graphic* (Lib.) thought the prefatory remarks in this document extraordinary and its contents hardly a justification of the action taken.

The *Saturday Review* (academic Conservative) in a long

article on June 18th headed "Our Creaking Empire" considered the incident disquieting from the standpoint of Empire unity. It abrogated another link in the Imperial system and removed the Canadian Militia from any direct relation to the central authority. The effect on the Militia itself would be disastrous. "The permanent significance of the matter for Canada is that a political Minister, in this case of all things in the world, the Minister of Agriculture, no matter how profoundly ignorant of everything to do with soldiering, is to over-ride the deliberate judgment, in his own Department, of the professional soldier expressly appointed as expert to command the national Militia." The *Speaker* (Radical) criticized as equally deplorable what it termed the bad conduct of Lord Dundonald and the bad language of Sir W. Laurier. The *Broad Arrow* (Military) declared that the former had committed a flagrant breach of discipline, while the *Army and Navy Gazette* congratulated him on the great work he had accomplished in Canada. On June 20th the *Pall Mall Gazette* (Lib.) referred to Lord Dundonald as letting the light of day into some of the sinister features and consequences of the Government policy. Then came the series of public meetings and the *Times* of July 18th, after summarizing the history of the incident, declared that the late G.O.C. had appealed to Cæsar and would have to abide by the result :

> **The appeal is admittedly irregular, but it will hardly be rejected upon that ground. It will be heard, we imagine, and determined on the merits by the tribunal to whom Lord Dundonald has taken it. It is for them, and for them only, to decide. We know not what their decision will be. We cannot know what it ought to be until all the evidence upon both sides has been produced and tested. It will be awaited with keen interest in this country as well as in Canada, for the issues it has to determine are nothing less than the efficiency or inefficiency of the national defences of our greatest Colony, and the fitness or unfitness of her present Ministers to provide them.**

On the same day as the above was written the Manchester *Guardian* declared that Lord Dundonald had forgotten his duty in making a heated attack on the Canadian Government; the *Western Gazette* demanded his immediate recall; while the *St. James' Gazette* described the "inexcusably tactless manner" in which he was handling the issue. Following these comments came many expressions of satisfaction regarding the enthusiastic farewell receptions given Lord Dundonald by the people of Toronto, Ottawa and Montreal and in almost every direction there was praise for his general services and appreciation of his courage in expressing and defending his convictions.

Canadian Expressions of Opinion in England

During this period there had also been prominent expressions of Canadian views in England favourable to the Government and affording ground for some succeeding criticism in Canada. On June 18th Mr. W. T. R. Preston, Dominion Commissioner of Emigration in the United Kingdom, wrote to the *Times*

a lengthy letter defending the administration of the Militia in Canada by both political parties as being entirely non-partisan, deprecating some statements of a preceding correspondent who had been in Canada, and claiming that politics had never been introduced into the Canadian Militia. Without any elaborate argument in the matter he represented the present issue as simply based upon the refusal of the acting-Minister of Militia to support Lord Dundonald's recommendation in a single instance. On July 6th this letter was read in the Canadian House of Commons by Mr. E. F. Clarke who denounced an apparently growing custom of Canadian officials in England publishing partisan arguments and statements. The Minister of the Interior promised careful attention to the matter and then Colonel Sam. Hughes attacked the Government's agents in England for contributing to British papers articles of a personal or political character. A little later (July 13th) a letter was addressed to Mr. Preston and immediately made public, signed by the Secretary of the Interior Department and concluding in the following terms:

> The Minister instructs me to advise you that in the opinion of the Government your action is a serious breach of official decorum. I am further directed to advise you that in the opinion of the Government the contribution of letters or interviews to the press by a member of the Civil Service, dealing with or discussing subjects which are matters of controversy between the political parties, cannot be permitted, and the violation of this rule in the future will be accepted as an equivalent of resignation from the Civil Service.

On July 18th the Hon. Mr. Lemieux, Solicitor-General of Canada, who had been in England for some little time, denounced to the Canadian Press Association representative the attitude of the *Times* in the Dundonald affair, criticized the Toronto meeting as a Conservative attempt to rouse Ontario against the Laurier Government, and added: " Be sure that unless the British Government recalls Lord Dundonald immediately the bitterest feeling will be aroused in Canada against the Imperial authorities." It was at once claimed by the Canadian Opposition papers that Mr. Lemieux had been instructed from Ottawa to this end and that he was influencing the Government in London accordingly. The subject was brought up in Parliament (July 20th) in connection with a previous public utterance of the same speaker alleged to have been directed against Mr. Chamberlain's policy. Mr. R. L. Borden, in drawing attention to the interview, denied, with emphasis, that the Conservative party had organized the Dundonald demonstrations though he could hardly deny that the subject naturally appealed to members of that party. The Premier declined to accept cable or press versions of the utterance and would not discuss them until Mr. Lemieux had been heard from.

Attention was also called to the statement made by Sir H. E. Taschereau, Chief Justice of Canada, on July 19th, to the same Press agency, that he was indignant at the way the *Times* was being

FLETCHER BATH WADE, K.C., M.P.

Appointed Chairman of the Trans-Continental Railway Commission, 1904.

THE HON. N. A. BELCOURT, K.C., M.P.

Elected Speaker of the Canadian House of Commons, 1904.

"loaded up" from Tory sources at Ottawa. He had then added: "A few Scotchmen are at the back of the whole agitation and he could not see how the British Government, if alive to its own interests, could fail to recall Dundonald before the end of the week." Mr. A. C. Bell denounced in the House such action on the part of a high judicial personage and it was stated next day that the Chief Justice had expressed these views in private conversation. On the latter's return he was interviewed at Quebec by the *Telegraph* (Aug. 2nd) and repeated this statement as to the private nature of his remarks. Sir Elzear pointed out that he had been an intimate friend of Lord Dundonald at Ottawa and would be the last to wish him any harm and claimed that public opinion in England, while favouring him at first, had now veered right around.

A Dundonald Discussion in the British Parliament

On the very day following Mr. Lemieux's remarks the Imperial Parliament discussed the question of Lord Dundonald "taking part whilst still an officer of the British Army in political agitation against His Majesty's Government in the Dominion of Canada." The mover in the matter was Mr. D. Lloyd-George, the brilliant Radical, pro-Boer, anti-Chamberlain leader, from Wales. He described Lord Dundonald as issuing Manifestos, leading a "raging, tearing propaganda" which was supported by a political party, and starting an agitation which, in places like Montreal, would cause bitterness if not serious disturbance. He believed this action would produce trouble in the relationship of Canada and the Mother Country. More than that was in the result: "It had created a great racial feud in Canada. (Ministerial cries of 'no.') He had the best authority for saying that it had aroused strong feelings among the French-Canadians and among the ultra-British against the French. Under these circumstances it would be very mischievous if Lord Dundonald were allowed to run loose in the Province of Quebec. He trusted the Government would see their way to prohibit the visit of Lord Dundonald to Montreal and, going beyond that, that they would severely reprimand him for the conduct he had pursued."

Mr. Winston Churchill followed and discussed what he termed a constitutional infraction leading to grave consequences in Canada and involving the Imperial Government. Lord Dundonald's motives were unimpeachable, his allegations were probably only too true and he might have been right in making his protest. But his present position was not defensible. Mr. Churchill went on to praise the tact, skill and loyalty of Sir W. Laurier in recent years and to express much fear as to the result of a Dundonald meeting in Montreal. He pointed out the power and influence of the Crown as due largely to its non-intervention in party politics and claimed that an Imperial officer should imitate this example. In conclusion, he said they wanted the Government to clearly disassociate themselves from Lord Dundonald's campaign and to

terminate the present constitutional scandal by his immediate recall.

Mr. H. O. Arnold-Forster, Secretary for War, followed and deprecated such discussions as useless in the premises and as leading to possible mis-understanding in the Colonies. He referred to the late War when Mr. Lloyd-George was not standing for Imperial unity and loyalty, while Sir Wilfrid Laurier certainly was, and inquired whether in this present matter the former was speaking for the Canadian Premier. The Government had certainly received no representation from Ottawa and Canada was uncommonly well able to look after itself. All that had been done, so far, was to bring the controversies of the Dominion into the British Parliament in such a way as not to conduce to increased harmony of feeling and he deprecated the Liberal attitude in this respect. As to Lord Dundonald he had been serving as a Canadian officer and was now an Imperial officer on the active list and on half-pay. Personally, Mr. Arnold-Forster, said he had always deprecated such officers taking part in politics. But "Lord Dundonald had a perfect right, and has now, to stand for the Dominion Parliament and become a member of that Parliament; he would have a right if he were a commoner to stand as a member for this Parliament. He has a right, which has been conceded over and over again to officers on half-pay, to express his views on political questions." The wisdom, or otherwise, of his doing so was another matter. He would express no opinion as to any difference which might have occurred "between the Dominion and its paid servant" but he was not blind to the disadvantages which could arise from the present situation, no matter how good the motives of the General or how ample his public support. And then he concluded:

> This matter has been dealt with throughout, I believe, patiently and reasonably by the War Office. We have demanded information, and we have acted upon that information. Long before the Hon. member gave notice to-day the War Office had taken action in this matter. We informed Lord Dundonald that we considered that it was not desirable that he should continue to take part in public discussions in Canada. . . . I have instructed Lord Dundonald to return home, and have also instructed him not to take any further part in what appeared to be a political and controversial discussion.

The debate was continued by Sir H. Campbell-Bannerman, for the Opposition, who approved the Government's action in the matter and by Mr. T. M. Healy who charged the Government with allowing Lord Dundonald to remain six weeks on Canadian soil "outraging the feelings of a majority of the people." He, indirectly, accused Lord Dundonald of stirring up the Orangemen of Canada against the French Catholics by citing similar conditions under a possible Irish Government. Three days later Mr. Arnold-Forster told the House that the Army Council had considered, on July 9th, the official correspondence in the matter as submitted to the Canadian Parliament. On July 18th he had decided that

Lord Dundonald should be recalled and asked for an explanation. This had been done on the following day.

The comments upon this action in Canada were somewhat mixed. There was considerable denunciation of the racial references in the debate and the Toronto *Globe* (July 20th) took the line that there was no cause for the Imperial authorities to exert or excite themselves in the matter. "It ought to be made very clear to the British Parliament and to the British people that this Dundonald episode is, from the point of view of Canada's Imperial relations, absolutely and absurdly insignificant. Canadian loyalty is of a kind and quality infinitely beyond the touch of passing incidents such as this." Incidentally Mr. Healy's speech caused a short debate at Ottawa on Aug. 6th upon a Canadian Associated Press despatch which twisted his words into a charge that Lord Dundonald had attacked the Canadian Government because it was French and Catholic. The Conservatives said that this was concocted in order to hurt their party and that the recall was brought about because the Government was afraid of the General's popularity and influence in Canada.

Aftermath of the Dundonald Affair—Race Cry and Militarism

Two developments of this affair followed Lord Dundonald's departure from Canadian shores. The first arose in part out of the Premier's use of the words "foreigner" and "stranger"* as interchangeable terms in French of which he claimed that the latter conveyed in English his real meaning; in part from Sir F. Borden's reference in the Commons to the one French-Canadian officer of the Ordnance Corps whose appointment had been disapproval by Lord Dundonald, his further reference to Colonel Roy having been side-tracked in the organization of the Regiment in the Eastern Townships and the inquiry as to whether his French extraction had anything to do with it; in part from the persistent effort of the Toronto *Mail and Empire* and other Conservative organs to make political capital out of the Government's dismissal of the "great Scottish General." Out of all this, aided by Mr. Bourassa's utterances in the House, came various racial references such as *La Presse's* description of the General as an "Imperial Monster" and the attacks of *Le Canada, Le Nationaliste,* and other French organs. This tendency was rendered still more pronounced by the approach of the general elections and by the second development referred to above—the charges of Militarism made by the *Globe* against the late General Officer Commanding.

Not that he was without many defenders in Quebec. *La Patrie*, under the Hon. Mr. Tarte's control, was vigorous in this respect and Conservative papers like the Montreal *Star* were unceasing in their exposition of what they considered Lord Dundonald's public-spirited, broad, liberal and anti-Militarist attitude

* NOTE—Mendel's French-English Dictionary, published by Eyre & Spottiswood of London, give the equivalent in English of the French word "Etranger" as "unknown," or "a foreigner."

and views. It was pointed out that through his mother's sister he was cousin to the Duc de Grammont and related to many of the old French nobility; while his thorough knowledge of the French language and his personal popularity with the French-Canadian militiamen were dwelt upon. Upon the latter point Lieut.-Colonel and Senator A. C. P. Landry told the press upon July 21st that, in the preceding year at the Three Rivers' Camp where he had command of a brigade, every one down to the humblest person around the Camp was delighted with the chief. "In my judgment no G.O.C. has been so popular with the Militia of the Province of Quebec and has done so much for its advancement as has Lord Dundonald. At the Lévis Camp this year the expressions of regret at his forthcoming departure from Canada were general."

More important, however, than this issue was the matter of Militarism. This charge against Lord Dundonald was, of course, influenced and enhanced by the Premier's reference to him as "dragooning" the Government and by the general Liberal contention that he was trying to place the military above the civil power. But the chief basis for its continued life was in the *Globe's* editorial of June 21st alleging his having favoured the construction of a line of fortresses along the United States border* and its well-maintained attack along this line right up to and through the Elections. On June 22nd an Ottawa inspired despatch in the same paper dealt at length, "from facts which have just come to light," with Lord Dundonald's alleged actions and opinions. "No other conclusion can be come to," said the correspondent, "than that His Lordship considered himself the head of the Militia Department and, as such, not amenable to the orders of the Minister." He believed that all his recommendations should be adopted and carried through without delay and as a matter of course. And then came this endorsation of the *Globe's* editorial: "It is reported that Lord Dundonald proposed an immediate expenditure on capital account for Militia purposes of $13,000,000 and an annual addition to the ordinary expenditure of over $2,000,000. This would make at the end of twenty years $53,000,000."

The paper's comment was a continuation of its preceding charges: "But the introduction and development in Canada of the burdensome and vicious Militarism of Europe must, even in its incipient stages, be resisted by all true patriots. The spirit of Militarism is utterly at variance with Canadian industrial development and would turn into a blatant and dangerous jingoism the awakening spirit of Canadian patriotism." These very serious insinuations were, of course, difficult to meet as they were based, in part, upon the 1902 Report to which Lord Dundonald's defenders had no access; which was claimed by the Government to be confidential; and to which the General himself could not refer in detail under considerations of official secrecy. In his Toronto speech he

* NOTE—Quoted in full at page 136 of this volume.

made a specific denial of the charge as a whole. So far as the recommendation to spend $13,000,000 on capital account over a period of two or three years was concerned this had previously been indirectly admitted by him to have had a reference in the suppressed Report but he was, of course, not at liberty to go into details. His denial was absolute, however, as to the fortification charges.

The allegation regarding a $13,000,000 proposal was several times repeated in the *Globe* (notably on July 5th and Aug. 1st) together with the addition of a proposed increased yearly expenditure upon the Militia of $2,000,000 for 20 years. If true it would have been interesting to know how these facts were obtained from a secret Report; if inaccurate Lord Dundonald had done all he could in his general and emphatic denial. The whole matter turned, therefore, upon the exact terms and proposals of his Report and a general demand came from the Conservative and Independent press for the publication of that document by the Government; while various Liberal journals followed the lead of the Toronto organ—some in comments such as the following from the Halifax *Chronicle* of Aug. 19th:

> **It was at that time that Lord Dundonald saw fit to recommend an immediate expenditure of twelve million dollars, or about as much as the N.T.R. is likely to cost the Dominion, on fortifications manifestly and dangerously directed against the United States together with an increase of some two million dollars per year in the Militia expenditure of the Dominion. These recommendations were embodied in his annual Report. The responsible Minister of Militia, knowing well the mind of the Canadian electorate, and warned by the 'cry' which had already been raised by the Opposition, promptly and very properly cancelled that part of Lord Dundonald's Report.**

The Report was not made public, however, and a little later, during the elections, other charges were made by the Liberal press. As to Lord Dundonald himself, he stated on July 27th that his plans were uncertain but that his sister, Lady Elizabeth Cochrane, was to reside at Crichton Lodge in Ottawa which he had just purchased. He arrived at Liverpool on Aug. 6th following but refused to be interviewed while, on the same date, Mr. J. A. Macdonell, K.C., of Glengarry wrote to the Montreal *Gazette* and declared himself in a position to state that Lord Dundonald had no intention of accepting a candidature in any Canadian constituency as had been so freely stated. Following his return home the General went for a long yachting cruise.

Parliamentary and other Tributes to Mr. Borden

Meantime the approach of the 50th birthday of Mr. R. L. Borden (June 26th) had afforded his friends and followers an opportunity of publicly testifying their feelings of esteem and respect for the Opposition Leader. On June 16th all the Conservative members of the Senate and Commons, then in the city, to the number of 100 presented him with a couple of handsome cabinets containing 249 pieces of sterling-silver tableware worth

about $800. Sir Mackenzie Bowell, Mr. F. D. Monk, Senator de Boucherville, Mr. E. F. Clarke, Senator J. A. Lougheed, and many others, spoke in appreciation of Mr. Borden's personality and work for the party. The Leader replied in brief and appropriate terms. Three days later a banquet was given at Montreal by the Jacques Cartier Club. Mr. Gustave Lamothe, K.C., presided and a large number of Conservative members of Parliament were present together with Hon. P. E. Leblanc, Hon. L. P. Pelletier, Hon. L. O. Taillon, Hon. A. Desjardins and Dr. Thompson of Dawson City.

In his speech—partly in French and partly in English—Mr. Borden referred at some length to the Grand Trunk Pacific and to the Dundonald affair. As to the latter matter he declared that in the days when the "Thermopylæ of Canada" was fought by De Salaberry there was no Fisher influencing and controlling the Militia of the British Provinces. Mr. Pelletier declared that French and English were alike brothers under the glorious British flag and subjects of the same King—"the greatest foreigner that has been." Dr. T. S. Sproule, Colonel Hughes, Mr. R. A. Pringle, Mr. Monk, and others also spoke. On June 28th a deputation arrived at Ottawa representing the Provincial Conservative Association of Nova Scotia and presented to Mr. Borden two large silver candelabra and a splendid silver salver as a gift from the Association; together with a silver loving cup from the Junior Conservatives of Halifax. Mrs. Borden was also presented with a gold neck-chain and pendant from the party in Nova Scotia, while the Conservative members of the Senate and the Commons availed themselves of the opportunity to offer her a diamond and opal bracelet. The Leader's response to these presentations was most grateful and concluded with these words: "Great as is the intrinsic value of these gifts, they will be specially dear because they evidence to my wife and myself the true sympathy, the true loyalty and the faithful and honest devotion of those with whom we have had the good fortune to be associated for so many years."

After Parliament rose Mr. Borden was tendered a great popular reception in Halifax on Aug. 15th. Some 10,000 people were said by the *Herald* to have cheered the Conservative Leader at the station or along the line of the procession to his home. At nearly every station of the Intercolonial in Nova Scotia he had also received a passing welcome from Conservative friends. These incidents evoked many eulogistic personal references at this time to the rapid rise of Mr. Borden in the confidence of his party, to his capacity as a broad-minded public man with distinct constructive ability, to his sincerity and principles of honour. The Halifax *Herald* of June 21st, after referring to his previous career made the following comment:

> Mr. Borden has been equal to his opportunity. No man in public life commands a greater share of public admiration to-day than this Leader of four years' standing. His speeches have been models of exhaus-

tive detail and convincing logic, the like of which have not been heard at Ottawa since Mr. Blake laid down the Liberal "baton." His style is as incisive as that of D'Alton McCarthy; his manner as impressive as that of his fellow Nova Scotian, Sir John Thompson; and his matter as effective as the best efforts of Sir Charles Tupper.

The Hon. Mr. Fielding's Toronto Speech

A notable banquet was given in Toronto on July 11th to the Minister of Finance. It was intended to bring the Hon. W. S. Fielding more into personal touch with the Liberals of Ontario, and to enable him also to present to the country a statement of progress and prosperity which might be politically serviceable should the elections come in the near future. It was held under the auspices of the local Fielding Club and President McLaughlin occupied the chair. Around him and amongst the speakers of the evening were Sir W. Mulock, the Hon. W. Paterson, the Hon. H. R. Emmerson, the Hon. Messrs. Gibson, Davis, Harcourt, and Stratton of the Provincial Government, Mr. Charles Marcil, M.P., Mr. T. O. Davis, M.P., Mr. A. Campbell, M.P., and others. A letter was read from the Hon. G. W. Ross describing Mr. Fielding's tact and great capacity as Minister of Finance. "He had to adapt a strongly protective tariff to more modern and more equitable conditions, and at the same time preserve to Canadian workingmen and Canadian industries their own legitimate and natural market. That he accomplished what he intended is seen in the increased trade of the country—the rise in wages and a degree of prosperity that no one can deny. With the amendments of the last Session or two we now have a distinctively Canadian tariff, and that is what we ought to have and keep at all hazards." Various speakers eulogized the Minister in unstinted terms.

Mr. Fielding commenced by paying a tribute to Sir W. Laurier as Leader and Premier and then explained the benefit to Canada of the permission which he had obtained in the Mother Country as to the investment of trust funds in Canadian securities—at once opening up many millions of possible investment and constituting a pronounced evidence of Canada's advancing credit. Eight years of advance in Canadian credit had been also followed under Liberal rule by eight years of prosperous finance. The day of deficits had passed and since 1896 their surplus of revenue over expenditure had grown from $1,700,000 to $14,000,000 in the past year. He proceeded to explain that these surpluses were no mere matters of book-keeping as had been charged. The system was exactly the same now as in the time of his predecessors with one single exception—bounties were now charged to capital account. As to expenditure true economy was not parsimony; national needs grew with the country's development; there had been a Scriptural policy which scattereth and yet increaseth. Yet with all the increasing demands for railways and canals and public works, fitted for a prosperous and progressive people, the Government had not added a dollar to the total of the national debt.

Eight years of economical Government, stronger credit, and prosperous finance, had been accompanied by a similar period of leaping trade, of successful Departmental administration—notably in the Post Office, the Customs, and the Interior—of a sound and stable tariff policy. As to commerce Mr. Fielding declared that statistics were not now required to prove the prosperity of the people although he might say that in the seven years of Laurier Government the trade of the country had increased $228,000,000. In the matter of administration Sir W. Mulock had produced a large surplus out of apparently permanent Postal deficits; Mr. Paterson had managed the difficulties of the Customs to the general satisfaction; Mr. Sifton had watched and laboured over Western development and the arduous creation of government in the Yukon. Turning to the tariff the Minister declared that a high tariff does not produce prosperity and had not prevented the present depression in the United States. A moderate tariff was in the general interest of the consumer; was an aid instead of injury to Western development; was a factor in producing that stability so essential to progress in a new country.

He assured the manufacturers that the Government was not unmindful of their position and that a Tariff Commission of Inquiry was on the horizon. Of the Preferential policy he spoke at length, giving Canada the credit for initiating a great movement which was now sweeping around the Empire. The surtax placed upon German goods as a return for the German effort to penalize Canada because of its Preferential tariff was referred to, as was the anti-dumping provision of the Budget and the Trans-continental Railway scheme. His conclusion was that the Government had brought to Canada "eight years of peace, eight years of splendid progress, eight years of grand prosperity." In connection with this speech a very warm welcome to Toronto was accorded Mr. Fielding by the *News*. He was stated* to have shown the greatest tact in the Liberal Convention of 1893 and to have left upon the minds of the delegates a clear impression of candour, discretion and foresight; to have made his acceptance of the Ministry of Finance conditional upon Sir R. Cartwright's approval and desire; to have proved a courteous and chivalrous colleague in the Cabinet.

No member of the Laurier Cabinet stands higher in the estimation of the country. He is a man of scrupulous personal honour, and no taint of chicanery or self-seeking attaches to his public career. It is understood that as Minister of Finance he has resolutely refused to have any private interest in banking or commercial companies, and so far as we know it has never been whispered that in his revisions of the tariff party considerations have influenced his action, or that interests friendly to the Administration have obtained a shred of information which could be turned to advantage.

* NOTE—These references are important as being, no doubt, written by Mr. J. S. Willison, who, in the days referred to, was Editor of *The Globe*, and knew of what he now wrote.

The Minister of Marine and Fisheries in the West

On Aug. 12th the Hon. Mr. Prefontaine arrived at Winnipeg in a private car on his way to British Columbia accompanied by his Deputy Minister and Private Secretary. To the local press, after a reference to the Pacific Coast Fisheries as the most valuable in the world the Minister said: "A great difficulty for making proper provision for the care of our fishing interest in British Columbia has arisen from the fact that it has never been clearly decided whether the Federal Government or the Provincial authorities ought to have the oversight of these interests. The question is still unsettled. We have a *modus vivendi* with the Province, the Federal Government collecting the fees and, of course, appropriating the money. There are two bodies in control. There ought to be only one, and we think it ought to be the Federal Government. The Government is prepared to make the appropriation and to supervise the work." During a two weeks' stay at the Coast he also expected to consider many matters connected with the improvement of navigation, to deal with the possible establishment of the Marconi Telegraph system for the protection of vessels, and to establish a submarine system of electric bells along the Coast.

The Minister was in Vancouver on Aug. 15th and met the local Board of Trade and a delegation of Salmon Canners who presented him with an elaborate Memorial protesting against the manner in which trap licenses had been issued and asking that no more be granted in 1905 until a scheme had been adopted equitable to the large interests concerned; urging the prompt adoption of effective means of propagation and conservancy; and the installation and operation of an increased number of hatcheries on the salmon rivers. Out of 78 Canners, 59 had signed this document, explained the Secretary. Mr. H. Bell-Irving followed in a speech which described the salmon fishing industry as in a very bad condition and dealt with the manner in which present regulations were proving injurious. He urged more hatcheries and was supported by Mr. George Wilson of the B.C. Packers' Association who asked the Minister to visit the fishing waters of the Coast and see conditions for himself. After some other speeches the Minister addressed the Board at some length. He had come West as soon as possible after his appointment in order to face and fully understand the situation.

To begin with he thought British Columbia might be settled with upon a different basis to the other Provinces. The Government were in favour of traps in order to prevent the Americans from taking all the fish; but the regulations had been applied too hastily to be very beneficial in the past year. He denied any favouritism in the matter of licenses; promised the prompt erection of two large hatcheries; expressed himself favourable to a close season for salmon; declared himself opposed to any international hatcheries on the Fraser such as the United States Gov-

ernment had suggested; and proclaimed the desirability of an immediate settlement of the question of control. The Federal Government had the laws and the machinery and could administer the Fisheries better. Mr. Prefontaine was in Victoria on Aug. 17th and on the following day was presented with a Memorial by the Executive of the local Tourist Association. They asked for the encouragement of sport by proper Government protection being given to game and to the fish in the streams and lakes and other inland waters; the increased availability of the beautiful Victoria Arm, or inlet of the sea, for tourists by steps to improve its navigability and by connection with Esquimalt Harbour through a short canal; the vesting of the foreshore rights of the Dominion Government on both sides of the Arm, for a specified distance, in the city in order to promote these ends.

During the next few days Mr. Prefontaine addressed and was entertained by the Board of Trade; taken for a trip amongst the islands of the State of Washington where traps had long been in use; met the Provincial Government and addressed a Liberal meeting in Victoria; visited Nanaimo where he was tendered a Reception in the Court-House; and was again in Vancouver on Aug. 23rd where he attended a joint meeting of the Board of Trade and the Fraser River Canners' Association. Requests supplementary to those previously made were presented including a close season for salmon fishing and the immediate construction of a hatchery at Morris Creek. To both of these the Minister replied favourably and to other more technical suggestions he promised every consideration. He expressed some intention of appointing a Commission to go into the whole matter. The Minister then turned his face homeward and on Sept. 2nd was in Toronto *en route* for Ottawa.

Ownership, Navigation and Resources of Hudson's Bay

Following upon the newspaper discussion of 1903 as to Canadian and United States rights in Hudson's Bay came a definite step in the matter by the Canadian Government's despatch of the *Neptune* under Commander A. P. Low,* with a view to investigating conditions and expressing Canadian authority in those regions. During 1904 considerable public interest was shown concerning that great inland sea and its shores. Writing to the Toronto *Globe* on Jan. 14th Mr. J. W. Tyrrell, the well-known Canadian explorer, described its physical conditions as follows: "Hudson's Bay lies entirely within British territory —no other nation having lands bordering upon it, or in any way accessible by means of its waters. The only means of access and egress between it and the Atlantic Ocean is through Hudson's Straits, which are four hundred miles in length and about forty miles in width at the narrowest parts." He pointed out that various expeditions had planted the British flag upon its shores in

* NOTE—Sailed from Halifax on Aug. 22nd, 1903, with 42 men; arrived at Halifax again on Oct. 11th, 1904, after traversing 10,900 miles.

recent times, to say nothing of the days of history, and that he himself had done so upon four different occasions. The areas of these waters, it may be added, constitute Hudson's Bay the third among the world's inland waters—580,000 square miles as against 680,000 in the Caribbean Sea and 1,000,000 in the case of the Mediterranean. As against the Canadian contention that of the United States may be given in the following extract from the New York *Sun* editorial—republished in the Toronto *World* of Jan. 25th :

> But the rights secured to American fishermen by the Convention of 1818 remain. Under that Convention, they were at liberty to fish along the coast of Labrador and northward indefinitely. For many years they have fished and maintained whaling stations northward indefinitely, past Cape Chudleigh, along Baffin Land, through Hudson's Strait and in Hudson's Bay. The Canadians have done no business there. The Americans have done much. Canada is now considering the establishment of a barrier from Cape Chudleigh to Baffin Land, at the entrance to Hudson's Strait, on the ground of sovereignty over these waters as an inland sea and under the old British headland theory which has never been officially recognized.

Mr. W. F. Maclean, M.P., who had for some years urged the re-naming of Hudson's Bay as the "Canadian Sea," addressed the Canadian Club in Toronto on Feb. 24th and claimed that if the United States had a Monroe Doctrine we should have a Canadian Doctrine and live up to it. This northern doorway to the continent must be opened up by railways and other ways and might in time become the finest summer resort in America. The region was probably the best seal-breeding ground in the world and it opened up the shortest route to Europe. "Canada must control Hudson's Bay absolutely; it is the front and central door; and a knocker must be put on it." Before the Canadian Institute on Feb. 27th Mr. J. W. Tyrrell declared the United States to have no rights in that region. "I don't think there should be any question about it. The fact that every discoverer who explored those shores was an Englishman should establish Canada's claim to that northern sea. It is situated in the heart of our own country and, with the exception of the entrance to Hudson's Straits, is completely surrounded by Canadian territory." Dr. James Bain, the City Librarian, in following proved (despite the *Century Dictionary* and many maps) that the proper name of the Bay was Hudson's Bay and showed by old-time charts the progressive stages of early British discovery and occupation.

Addressing the Canadian Club in Toronto on Apr. 4th Mr. Tyrrell again dealt with this subject. After referring to "the great value of Hudson's Bay and Straits as the natural commercial outlet of the Canadian North-West" and to the fine land-locked harbour at Fort Churchill, he dealt with the important question of navigation. "From my personal observation I am of the opinion that for suitably constructed vessels, Hudson's Straits

are navigable for five months of the year—from the middle of June to the middle of November with a possibility of an additional two weeks before and after these dates." A different view was given by Mr. R. F. Stupart, F.R.S.C., in an elaborate address before the Empire Club, Toronto, on Apr. 14th. He described it as an immense inland sea lying in Northern Canada, connected with the ocean by a strait 450 miles in length and containing the whale, the walrus, the salmon, the cod and trout and many smaller fishes. In the past 50 years whalers from Connecticut and Massachusetts had taken out whale-oil and bone to the value of $100,000 annually. If navigable, Hudson's Straits would be the best and cheapest outlet for the Canadian West. By this route Edmonton would be 4,210 miles from Liverpool, Prince Albert 4,000 miles and Winnipeg 4,020. He then described the various Government expeditions to inquire into the subject and quoted from the Reports of those sent in 1884, 1886 and 1897. The opinions expressed therein seemed to indicate three months as the extreme limit of navigation for anything like a commercial purpose—July 1st to Oct. 1st being the period approximately fixed.

Meanwhile, the *Neptune* had been wintering in Hudson's Bay under the control of Mr. Low who had with him Inspector Moodie and five of the Mounted Police and a representative of the Geological Survey. In the House of Commons on July 29th Sir Wilfrid Laurier described the purpose of this expedition as being "to explore, patrol and assert the authority of the Government of Canada in Hudson's Bay and the Northern waters." The assertion of this "undoubted authority" should prevent any possible trouble as to jurisdiction in those regions. In the spring Baffin's Bay and Lancaster Strait were, he said, to be explored and on Aug. 15th another vessel (the *Arctic*), under command of Captain Bernier, was to sail with an officer and ten men of the Mounted Police to relieve the *Neptune*. The instructions to this vessel were "to patrol the waters, to find suitable locations for posts, to establish those posts and to assert the jurisdiction of Canada." And then the Premier added these words: "At the present time there are whalers and fishermen of different nations cruising in those waters, and unless we were active to assert what is the undoubted fact, that these lands belong to Canada, we may perhaps find ourselves later on in the face of serious complications."

Major Moodie, on his return to Ottawa, reached St. John's, Newfoundland, on Aug. 7th—by way of a supply boat—and stated that a post had been built at Fullerton Inlet as a port of entry and garrison for police. In his Report to the Government he said that properly constructed vessels should have no difficulty in getting in and out of the Bay between June and October. The only United States whaling vessel in those waters had shown no disposition to dispute Canadian authority and had paid customs duties as requested. On Sept. 17th the *Arctic* left Quebec for a three years' cruise in the waters of Hudson's Bay and the Mackenzie

River with some $100,000 worth of stores and provisions on board and ten Mounted Police. Major Moodie was in command of the expedition and Capt. Bernier acted as sailing master.

To the Canadian Club at Ottawa Mr. A. P. Low delivered, upon his return from the Bay, a most interesting address—Dec. 22nd. He described various northern islands upon which he had planted the British flag and left evidence of this assertion of authority; indicated the great value of the fisheries in the Bay; expressed belief in the commercial navigability of the Straits and urged the establishment of a rail and steamship route in this connection. The distance from Fort Churchill to Liverpool was described as 1,000 miles shorter than from Quebec to Liverpool while from Regina to Liverpool by way of Fort Churchill it was 3,730 miles as against 4,740 by way of Quebec. He declared navigation of the Straits to be safe and open for the ordinary "tramp" steamer from the middle of July to the first of November and possibly until the 15th of that month.

The Moral Aspect of Canadian Public Life

Partly as the result of political excitements there were an unusual number of speeches and public deliverances during 1904 upon the moral side of public life. The discussions commenced on Jan. 2nd with a pulpit reference to the Gamey case by the Rev. W. Carey Ward of Toronto who declared that this political scandal "should have aroused a much stronger feeling of general indignation than seems to have been expressed." Speaking on Christian citizenship, five days later, Mayor Urquhart of Toronto expressed the belief that "we would not have the corruption in political life, such as we had heard of, if Christian men took the part they should in the affairs of the nation." The Rev. Dr. S. D. Chown delivered a number of addresses during the year in which he dealt with political events, and especially corruption, without gloves. To a Methodist gathering in Montreal on Feb. 11th he stated that:

> **Corruption and bribery had become so widespread and so deeply rooted that it was almost impossible for a man of large ideas, of noble ideals, and of honour to obtain a seat in Parliament. The machine was in operation in many ridings, and examples of this operation were to be seen in Ontario. Money was the lever which lifted men nearly everywhere from a constituency into the Legislature. The party whip was the instrument that rounded men into the political fold, whether they were willing to be herded or not. The few men who fearlessly stood out for equity and justice were made the footstools of party bosses. Citizenship was decaying rapidly with such a canker worm of vice eating into its vital parts. In fact, the political atmosphere had become so offensive to highly moral and intellectual men that many of them preferred to remain free from its pollution rather than inhale it.**

These views he repeated in Ottawa on Apr. 6th. At the same time he expressed the belief that 90 per cent. of Canadian public men were opposed to corruption although they were too apt to become "accessories after the event." The party system was what

he blamed in the main. An opposite opinion was expressed in a dispassionate review of political conditions addressed by Mr. J. S. Willison to the Canadian Club in Toronto, on Feb. 15th. After a review of party history and party obligations and of his reasons for believing the party system necessary he proceeded to denounce the idea that anyone should have a monopoly of public office. "The genius of party organization requires changes of Government, and only by alternate drafts upon the legislative skill and administrative capacity of rival groups of political leaders can we get the best results out of the British constitutional system." The tone of public life in this country would be as high as the average tone of its citizens. Ontario had lately lost something of her ascendancy in Canada. "She has lost in political leadership, in political vigour, in public spirit and in moral purpose." He hoped for an approximation toward the British ideal of public life and for better general conditions.

There are honest men everywhere, and we need have no fear that this country depends for its progress and prosperity upon any one political party, or any one set of political leaders, and when we get rid of that notion not much will remain to be done. If you would have an end of electoral crookedness, you must punish Governments which profit by electoral crookedness. If you would have the constitution respected you must punish Governments which profit by its violation. If you would have a free and energetic public opinion you must encourage its expression and discourage party servitude.

In Ottawa, on Mar. 17th, a poem by William Wilfred Cambpell was read before the Canadian Club which, in strength of thought and force of expression, has never been excelled in Canada. It embodied a fierce denunciation of corruptions and conditions under which "Franchise but a bartered power, Freedom, thought and honour gone" there were seemingly none to save the land. His pessimism was most pronounced and his outlook most depressing. In the same place on Mar. 21st, Mr. J. S. Willison addressed the Canadian Club in a vein similar to that of his Toronto speech. In Montreal, on Mar. 28th, the Rev. Hugh Pedley preached two sermons on Canadian problems and perils. "In the realm of political life there are many pitfalls, no matter what form of Government exists. These political dangers might be summed up in the word, corruption, which means the use of political privilege for personal betterment. In municipal politics it stands for the diversion of the people's taxes into illegitimate channels. This leads to unsanitary conditions, filthy streets and an insufficient police force." To a large gathering of Orangemen in Woodstock, Ont., on July 12th, the Rev. Canon Farthing touched on this general topic with vigour. "I am not sure but that if our constitution is in danger, it is not the Pope of Rome who is our greatest enemy. It is our Canadian politicians. There are politicians on both sides in Parliament to-day seeking to rob us of the political freedom our fathers fought for. This is apparent in our election

contests, where men are seen circulating money, wood, or coal and whiskey to obtain votes." Then came the Dominion and Ontario Elections and, especially in the latter case, a marked intervention by the pulpit in the contest with much and severe denunciation of political conditions. To quote those utterances would be impossible here and perhaps of no particular advantage though they undoubtedly had their effect upon the result.

DOMINION APPOINTMENTS AND POLITICAL INCIDENTS

Jan. 7.—Mr. James McShane, one-time Mayor of Montreal and Provincial Minister of Quebec, is banqueted by 300 friends of all classes and politics at Montreal. Among the speakers are Hon. Mr. Prefontaine, Mr. F. D. Monk, Hon. Mr. Lemieux and Hon. Mr. Gouin.

Jan. 8.—A fire at "Pinehurst," Mr. R. L. Borden's Halifax residence, inflicts serious damage and loss.

Jan. 16.—The appointment is announced of Mr. W. H. Newlands, lately Legal Adviser to the Yukon Government, to the Supreme Court of the North-West Territories.

Jan. 25.—The resignation is announced of the Hon. James McDonald, who for 23 years had filled the post of Chief Justice of Nova Scotia and prior to that had been Minister of Justice at Ottawa —1878 to 1881.

Jan. 30.—Mr. George O. Buchanan, of Kaslo, B.C., is appointed Dominion Inspector of Lead Bounties in the Coast Province.

Feb. 13.—The Hon. Duncan Cameron Fraser, B.A., K.C., M.P., one-time member of the Nova Scotia Provincial Government, is gazetted to the Supreme Court of that Province in place of Hon. Hugh McDonald Henry, resigned.

Feb. 15.—The Canadian Club of Whitby, Ont., is re-organized with County Judge McCrimmon as President and Mr. J. B. Dow as Vice-President.

Feb. 19.—The centenary celebration of Senator David Wark of Fredericton, N.B., is marked by many telegrams of congratulation including one from His Majesty the King and others from Sir Wilfrid Laurier, the Government of Canada, the Mayor of St. John, etc. Addresses are presented on behalf of the City of Fredericton, the people of Richibucto—where he was born—the University of New Brunswick, and other places.

Feb. 26.—The annual Report of Sir Wm. Mulock, Postmaster-General, for the year ending June 30th, 1903, shows a surplus of $395,268 as against a deficit in 1896 (not admitted by Conservatives) of $781,152. The money orders and postal notes amounted in value to $28,914,286 as against $13,081,860 in 1896. There were in the year 10,149 post offices in operation, 235,791,000 letters mailed, 26,646,000 post cards and 5,470,000 registered letters.

Feb. 26.—The Club Belcourt, a Liberal organization, is formally inaugurated at Ottawa in honour and support of the Speaker of the House of Commons.

Mar. 4.—The Hon. L. P. Brodeur, K.C., M.P., the new Minister of Inland Revenue, pays his first official visit to Toronto and on this or the succeeding day addresses the Empire Club and the University Students and is entertained at Dinners given by the Hon. Mr. Stratton and Mr. Castell Hopkins.

Mar. 5.—The appointment is gazetted of Mr. Lyman P. Duff, K.C., of Victoria to the Supreme Court of British Columbia in succession to Mr. Justice Walkem, resigned, and that of Mr. John Louis Carleton of St. John, N.B., as a County Court Judge.

Mar. 5.—The appointment is gazetted of Capt. Ernest J. Chambers as Gentleman Usher of the Black Rod at Ottawa.

Mar. 7.—A number of County Court Judges are appointed in Ontario including E. C. S. Huycke, K.C. of Cobourg, to Haldimand; Talbot Macbeth, K.C., of London, to Middlesex; George B. Douglas of Chatham, to Prescott and Russell; J. D. Donahue of St. Thomas, to Renfrew; J. J. O'Mara of Pembroke, to Carleton; J. L. Dowling of Ottawa, to Kent.

Mar. 18.—The appointments are gazetted of Mr. Frank A. Anglin, K.C., of Toronto and Mr. John Idington, K.C., of Stratford to the High Court of Ontario.

Mar. 18.—In the House of Commons the Hon. Mr. Emmerson, Minister of Railways, in reply to questions, states that the first appropriation by the Dominion for the Trent Valley Canal was in 1879-80; that work was commenced in 1880 although portions of the Canal had been constructed prior to Confederation; that the total expenditures since 1880 to date had been $3,825,982.25 of which the chief part was under the Liberal Government and since 1896; that the estimated cost of the Canal *via* Trenton was $6,960,000 and *via* Port Hope $6,850,000.

Mar. 19.—The Toronto *Mail and Empire* estimates, from an Opposition standpoint, the financial Liabilities undertaken by the 1903 Session of Parliament as follows:

Estimates	$ 70,863,173
Railway Subsidies	13,300,000
Iron Bounties	1,248,000
Lead Bounties	300,000
Grand Trunk Pacific	120,000,000
Guarantee of Grand Trunk Pacific Bonds	31,000,000
Guarantee of C. N. R. Bonds	9,300,000
Quebec Bridge Bonds	6,900,000
Civil Service increases	80,000
Total	$252,991,173

Mar. 23.—The appointment is announced from Ottawa of Mr. J. W. Greenway, Inspector of School Lands in Manitoba, to the position of Dominion Lands Commissioner in succession to Mr. J. G. Turriff, who resigned to run for Parliament.

Mar. 31.—The Canadian Club of Winnipeg is launched at a successful meeting presided over by Mr. J. A. M. Aikins, K.C., and addressed by Messrs. H. W. Whitla, Sanford Evans, Rev. C. W. Gordon and others.

Apr. 2.—The *Canada Gazette* announces the appointment of Dr. Peter Henderson Bryce to be Medical Inspector for the Departments of the Interior and Indian Affairs; and that of Mr. Robert Evans Young to be Superintendent of Railway and Swamp Lands.

Apr. 4.—A very large banquet, attended by some 700 guests, is tendered the Hon. Raymond Prefontaine, Minister of Marine and Fisheries, by the combined Liberal Clubs of his constituency of Maisonneuve. An Address is presented to the Minister and in his speech he declares that within a very few years there will be open navigation between Quebec City and the Gulf of St. Lawrence all the year round and between Montreal and Quebec during night and day of the regular season. He also advocates protection to Canadian industries.

Apr. 6.—The Hon. Dr. J. H. Wilson of St. Thomas is banqueted by the physicians of the city and county in honour of his appointment to the Senate.

Apr. 10.—The retirement is announced of Mr. Justice Thomas Robertson, who had sat on the High Court Bench of Ontario since 1887. Mr. E. C. S. Huycke, K.C., also declines his recent appointment as County Judge of Haldimand.

Apr. 17.—It is announced that Mr. C. C. Blackadar of the *Acadian Recorder*, Halifax, has declined a recently offered Senatorship.

Apr. 21.—Mr. James White is elected President of the Ottawa Reform Association in succession to Mr. A. W. Fraser, K.C.

Apr. 28.—Senator David Wark, said to be the oldest legislator in the world, is waited upon in the Senate Chamber and presented with a handsome oil painting of himself as a tribute from his fellow members and in recognition of his having passed the hundred year mile-stone of life. Speeches of congratulation are made by the Hon. R. W. Scott and Sir Mackenzie Bowell on behalf of the Senate and by Sir W. Laurier and Mr. R. L. Borden on behalf of the Commons.

Apr. 30.—The *Canada Gazette* announces the appointment and transfer of Judge Charles Wesley Colter as County Judge of Elgin, Ont., in place of Judge David John Hughes, retired ; and of Judge George B. Douglas as County Judge of Haldimand.

May 3.—It is announced that the Hon. Norman William Trenholme, K.C., D.C.L., Superior Court Judge in Montreal, is to succeed the late Mr. Justice Wurtele upon the Court of King's Bench. He is replaced by Mr. John Dunlop, K.C., of Montreal, and Mr. S. P. Leet, K.C., of Montreal, is appointed to the Superior Court at Sherbrooke.

May 4.—A Montreal correspondent of the Toronto *News* describes two movements as developing steadily in the Province of Quebec—the Nationalist programme proposed by Mr. Bourassa and an Association of Young Catholics, whose organ is a weekly Ultramontane paper called *La Croix*.

May 20.—Mr. John S. Ewart, K.C., President of the new Canadian Club of Winnipeg, delivers an inaugural address upon the national sentiment of Canada.

May 23.—Under this date Mr. H. A. Mullins, ex-M.L.A., and a former Manitoba Conservative, writes Mr. S. L. Head, Liberal candidate in Marquette, endorsing the Liberal Railway policy and promising his support to the Government.

June 1.—At the annual meeting of the Canadian Club of Hamilton, Mr. D. M. Cameron is elected President and an active membership of 150 is announced.

June 5.—After the names of Dr. G. L. Milne of Victoria, Mr. G. O. Buchanan of Kaslo and Mr. Hewitt Bostock, ex-M.P., had been actively urged in British Columbia for the Senate, in succession to the late Hon. James Reid, Mr. Bostock's appointment is formally announced.

June 5.—Mr. Adam Johnston, K.C., of Morrisburg, Ont., is appointed County Court Judge of Prescott and Russell.

June 6.—The *News* of Toronto (Ind.) refers in notable terms to Sir Charles Tupper, the vigorous Conservative Leader of the past : " We are learning even now to cherish the veteran as one of the great figures of our history and, perhaps, the chief of the constructive statesmen of Canada."

June 14.—A non-political citizens' banquet is tendered at Ottawa to the Hon. N. A. Belcourt, K.C., M.P., in honour of his appointment to the Speakership. Mr. Belcourt delivers a notable address upon the public and political duty of the people.

June 18.—The members of a Sons of Scotland Lodge at Alexandria, Glengarry, pass a unanimous Resolution of dissatisfaction and dismay at the dismissal of Lord Dundonald.

June 27.—Mr. Horace Harvey, Deputy Attorney-General of the North-West Territories, is apoointed to the Supreme Court of the Territories.

July 2.—Mr. James Magee, K.C., of London is gazetted a Judge of the High Court of Ontario in place of the late Mr. Justice Ferguson. Judge Edward O'Connor of the Algoma District Court is appointed a Surrogate Judge in Admiralty.

July 2.—Mr. Justice Sedgwick of the Supreme Court of Canada is gazetted as Deputy of H. E., the Governor-General.

July 3.—The Ottawa *Free Press* describes what it believes to be the correct Liberal view of politics and patronage:

"All things being equal, the Liberal partisan must receive the favours and patronage of the Liberal Government. The Government will even be excused for straining a point in favour of a friend. Every new appointment, every power of patronage, belongs by right of system and precedent to the members of the Liberal party. Not so much is it proof of the higher ideals to disavow this principle as it would be a lack of loyalty to the followers of the party. To appease a political foe by gifts of patronage is a sign of cowardice, or even worse."

July 13.—It is announced from Ottawa that, by Order-in-Council of Aug. 13th, 1903, Mr. Robert Henderson, originally of Pictou, N.S., is recognized as the first discoverer of gold on Quartz Gold Bottom and Hunker Creeks, in the Yukon, and is given special privileges of location in his mining claims and an appointment on the staff of the Government in that Territory as an Engineer.

July 13.—At a mass-meeting in Sydney of representatives of labour interests connected with the Dominion Iron and Steel Company it is decided to form an Independent party and to place a Labour candidate in the field in the Dominion general elections.

July 20.—The appointment is announced of Mr. Archibald Little as Postmaster at Guelph, Ont., in succession to Mr. David Stirton, resigned

July 29.—A Woodstock (Ont.) Lodge of the Sons of Scotland passes a unanimous Resolution regretting the causes of Lord Dundonald's retirement, but deprecating the alleged party exploitation of the issue.

Aug. 9.—The Commission to revise and consolidate the statutes of Quebec is announced as composed of the Hon. Sir Louis Napoleon Casault, Chief Justice of the Province (President) and Messrs John Stuart Buchan, K.C., and Wilfrid Mercier, K.C., of Montreal, with two Secretaries—Mr. Charles Lanctot, K.C., and Mr. Theophilus H. Oliver, K.C.

Aug. 19.—The retirement from the Bench of Sir L. N. Casault, Chief Justice of Quebec, is announced.

Aug. 29.—The Liverpool *Mercury* states that on sailing from that port for Canada, Sir Charles Tupper, Bart., is able to boast of having crossed the Ocean 58 times.

Aug. 30.—Mr. Archibald S. Mitchell assumes the duties of Collector of Customs at Halifax amidst much local satisfaction with the appointment.

Sept. 8.—Dr. Goldwin Smith addresses the Farmers' Association in Toronto and urges them to organize as a separate and distinct interest in the country. He is severely criticized in some quarters for opposing the party system while thus favouring the organization of a class in the community.

Sept. 18.—The St. John annual Exhibition is opened by Lieut.-Governor the Hon. J. B. Snowball. Other speakers are the President, Mr. R. B. Emerson, the Hon. Dr. Pugsley, Mr. Mayor W. W. White and Senator H. J. Cloran of Montreal.

Sept. 30.—Mr. George T. Denison, Jr., who had recently resigned his Majority in the G.G.B.G. of Toronto, writes to the press severely criticizing Colonel W. D. Otter, C.B.

Sept. 30.—The Hon. Adolphe Basile Routhier, LIT. D., LL.D., of the Quebec Supreme Court is appointed Chief Justice in succession to Sir L. N. Casault. The Hon. P. A. Choquette retires from the Supreme Court at Quebec to enter the Senate and is

replaced by the Hon. Sir Charles Alphonse Pantaleon Pelletier, K.C.M.G., K.C., formerly Speaker of the Senate and a member of that body since 1877.

Oct. 2.—The appointment is announced of Mr. Benjamin Russell, M.A., K.C., D.C.L., and lately member of Parliament, to the Supreme Court of Nova Scotia.

Oct. 3.—At a meeting in Quebec the Central Conservative Committee of the District elects Mr. Victor Chateauvert President and organizer for the general elections.

Oct. 5.—Capt. R. Salmon, Wreck Commissioner at Montreal, claims that political pressure has been brought to bear upon him by the Minister of Marine and Fisheries in conection with the loss of the Richelieu Line Steamer *Canada*. He tenders his resignation and expresses the hope that his Court will be kept clear of this kind of interference in future. For the wreck he makes the pilot responsible and severely censures the master and mate. The resignation is accepted and the Minister denies absolutely the charges made by Capt. Salmon.

Oct. 18.—The Canadian Club of Ottawa holds its annual meeting and elects Mr. W. L. Mackenzie King, M.A., as President in succession to Lieut.-Col. A. P. Sherwood, C.M.G. A Resolution of regret at the departure of Lord Minto is passed and an address given by Mr. W. Wilfred Campbell.

Oct. 22.—The appointment of Mr. Louis Napoleon Champagne, ex-M.P., of Hull, to the Superior Court of Quebec is announced

Oct. 28.—Capt. A. T. Hunter delivers a clever and rather caustic address before the Canadian Club of Toronto on "Higher Hayforkism in Canada" in which he criticizes and discusses the legal profession.

Oct. 31.—The Toronto *Globe* receives a cable from Sir Hugh Gilzean Reid, President of the World's Press Parliament, describing the interest felt in the Mother-land concerning the Canadian elections and declaring of the vast majority that :

"Regardless of party, they ardently wish a decisive victory for the Premier and the Government whose constructive and far-sighted policy has enormously advanced the prosperity and solidified the relations of the Dominion, as is evidenced everywhere and was abundantly revealed during my recent visit. Maintained unbroken, that policy will increasingly strengthen, for mutual benefit, the commercial, fiscal and friendly bonds of Canada with the Empire, and give her, as the Premier has declared, a place foremost amongst the great powers of the world."

Nov. 7.—The lawyers of the Province of New Brunswick join in presenting Mr. Thomas Carleton Allen, K.C., Clerk of the Pleas, with an engrossed Address in appreciation of his work and worth ; together with a silver tea service.

Nov. 12.—Mr. E. E. Sheppard of Toronto, in *Saturday Night*, eulogizes Mr. Premier Haultain of the Territories and urges his selection as Leader of the Conservative Party of Canada.

Nov. 14.—It is announced that Mr. Matthew Hutchinson, K.C., ex-M.L.A., of Montreal will succeed Judge W. White on the Superior Court Bench of Quebec Province. Mr. R. S. Cooke, K.C., ex-M.L.A., of Three Rivers, is also appointed to the same Court in that District to replace the late Judge Desmarais.

Nov. 21.—Ottawa despatches announce the appointment of Mr. Henry Stanislas Harwood, ex-M.P. as Postmaster of Montreal. Mr. S. Blanchard is appointed to the Bench of Prince Edward Island in succession to Judge Warburton, resigned.

Nov. 21.—Lieut.-Col. J. P. Cooke of Montreal drops the celebrated libel suit against Wm. Blackley which arose out of serious charges made by Blackley against the former Crown Prosecutor.

Nov. 28.—Lieut.-Col. Cooke, lately Crown Prosecutor, is ordered by Mr. Justice Hall to pay the costs in the Cooke-Blackley case and, two days later, the Report of Justices Curran and Lavergne of the Supreme Court is made public (dated Nov. 13th). In it they summarize the result of their investigation into the original charges :

"We are compelled to report that whilst we find Mr. Cooke, K.C., not guilty of any corrupt act, he far outstepped any former usage in this District by accepting fees and retainers from private prosecutors in cases where he was at the same time acting as representative of the first law officer of the Crown, and that his association as such Counsel, for the private prosecutors, with Mr. Jacobs, was the direct cause of the scandal in connection with the Blackley libel."

Dec. 2.—Mr. Justice J. V. Teetzel of the Ontario High Court is banqueted by the local bar at the Hamilton Club.

Dec. 3.—The St. John *Globe* (Liberal) editorially suggests that Mr. R. L. Borden might very properly ally himself with the Liberal party and declares his differences of opinion with Sir W. Laurier to be far from vital.

Dec. 6.—The Toronto *Telegram* (Ind.) comes out with a vigorous criticism of Mr. R. L. Borden as "a nice man but no leader."

Dec. 7.—The Toronto *News* contains a long letter from Sir Charles Tupper regarding certain historical aspects of the Remedial Bill and the Conservatives of 1895. His statements are discussed by Sir Mackenzie Bowell in the same paper on Dec. 13th. Nine days later Sir Charles replies to this interview.

Dec. 23.—The resignation is announced of Mr. James A. Smart, Deputy Minister of the Interior since 1896. His successor is Mr. W. W. Cory, Assistant Commissioner of Dominion Lands.

Dec. 29.—Dr. William Osler, F.R.S., the new Regius Professor of Medicine at Oxford, addresses the Canadian Club at Toronto. He urges kindlier feelings toward the United States, closer union with the Mother-land, less political abusiveness and lying, and the teaching of boys by male teachers ; deprecates the emigration of young women to the States and suggests a tax on bachelors so as to encourage marriage.

Dec. 29.—Mr. Justice E. T. Taschereau reports on charges made against the Montreal Police and declares his recent investigation to warrant an acquittal of the officers concerned.

SENATORS APPOINTED DURING 1904

Date.	Name.	Province.
Mar. 5.	—William Mitchell	Quebec.
Mar. 8.	—John H. Wilson	Ontario.
June 6.	—Hewitt Bostock	British Columbia.
June 10.	—Thomas Reuben Black	Nova Scotia.
Sept. 30.	—Sir R. J. Cartwright, G.C.M.G.	Ontario.
Sept. 30.	—Philippe A. Choquette	Quebec.
Sept. 30.	—James Hamilton Ross	North-West Territories.
Sept. 30.	—Thomas Osborne Davis	North-West Territories.

II.—THE DOMINION GENERAL ELECTIONS

Party Preparations for the General Elections

All through the year there were intermittent flashes of effort in connection with the expected Dominion elections although the Session of Parliament put matters at rest for a season. Upon this question of Parliamentary Dissolution at pleasure of the Premier Mr. Goldwin Smith made the following comment (*Farmers' Sun,* June 8th): "It is not right that a party leader should be allowed, for the purposes of his game, to keep the threat of a general election thus hanging over the country, or that the life of Parliament should be in his hands. Besides all the disturbance, such a power is a source of improper influence over the Legislature, especially over any members whose seats are not secure." The Hon. L. G. Power, Speaker of the Senate, in this connection told the press on Aug. 16th, that he favoured a constitutional and settled date for holding general elections—as in the United States. He thought the present system was abused by both parties but did not explain how the American arrangement could be successfully grafted upon the British system. Early in July the Conservative press claimed that the elections were imminent and the party organizations proceeded to pour out campaign literature upon the country. The *Globe's* Ottawa correspondent, however (July 27th), declared there was probability of another Session being held.

On July 23rd there appeared in the Conservative press a bitter and cleverly phrased denunciation of Sir Wilfrid Laurier. It was dated on the 9th and written by Mr. Beckles Willson, author of a History of the Hudson's Bay Company and a Life of Lord Strathcona and then living in London, England. After describing the assets of French extraction and popular oratorical gifts with which the present Premier assumed office and recalling alleged episodes in his career which proved him to be a reactionary Radical opposed to Confederation, the construction of the Canadian Pacific Railway and the application of the law to Louis Riel, the writer went on to praise the constitution of the 1896 Cabinet and the settlement of the Manitoba School question and to speak of the way in which fortune had appeared to favour Sir Wilfrid. "Certain political incidents awoke our people to the consciousness of unity with the British race over seas to a degree unfelt before. Moreover the sentiment became reciprocated with unwonted warmth. Canada was discovered anew; the whole Empire throbbed in unison; and in the midst of the Imperial festivities of 1897 your figure emerged—attractive, enlightened, even historic, as embodying the new spirit of loyalty and racial unity in Canada."

At that time he had seen much, in London, of the Canadian

Premier and had understood the sudden and Gaelic character of his then Imperial enthusiasms. But "the fit did not last." Mr. Willson then indulged in some strong language. "I have breasted all the phases of your shallow and shifty rhetoric for the past five years, and I defy you to point to one speech or utterance where you have truly sought to strengthen the British connection or to assimilate British institutions with our own." He also reviewed at length a mass of matters—such as the South African War, the Chamberlain Preferential policy, the question of Imperial Defence and the Bourassa movement in Quebec—in all of which he saw the Premier as an influence far from British and a personality fallen under the control of the French nationalist element in Canada. The ready response of the Liberal press to this attack was the statement that Mr. Beckles Willson had at one time wanted something from the Premier and the Government and been refused. Hence his political philippic.

Meanwhile the parties were getting their organizations into shape. In Nova Scotia all but one of the Conservative candidates had been placed in the field before January had completed its course and Mr. C. E. Tanner, M.L.A., as the Provincial organizer was already hard at work. Later on he was aided by Mr. A. C. Bell, M.P. As illustrating the way in which well-informed men may prove mistaken, Mr. John F. Stairs, President of the Provincial Association, told the press of Mar. 16th that "I have never seen the Conservative party in better shape in this Province." Arrangements were made and carried out in September for speeches at several points in Nova Scotia by Mr. T. Chase-Casgrain, M.P., and Mr. E. F. Clarke, M.P. In Quebec Mr. Camille Piché, K.C., acted as Liberal organizer and for some time prior to the beginning of the year Messrs. M. F. Hackett, K.C., and L. P. Pelletier, M.L.A., were organizing the Province in the Conservative interests. In Ontario the Provincial Liberal organization with Mr. James Vance in charge did what was required, assisted by the counsel of the late party organizer, Mr. Alex. Smith of Ottawa and, early in October, by the appointment of Mr. G. P. Graham, M.L.A., to look after the eastern part of the Province. Late in September Mr. Borden appointed Messrs. Leavitt and Wright to conduct his work in the same Province.. In the West Mr. W. H. Hastings of Winnipeg was the Conservative organizer during the whole of the year, and Mr. R. E. A. Leach the Liberal manager.

As the time of actual Dissolution approached several personal changes of interest were announced. It had been understood for a year past that Sir C. H. Tupper and Sir R. J. Cartwright would not seek re-election. In September it was announced that Mr. T. O. Davis, M.P. for Saskatchewan would not run again and later on he was elevated to the Senate. Addressing his constituents at St. Remi on July 17th Mr. D. Monet—known to fame as a devoted adherent of Mr. Bourassa's views—declared that he would not stand again. He expressed some fear for the future of the

country and continued as follows in a rather significant personal explanation: "I have no regret for my past conduct, and it is for the good reason that it is impossible for me to bend the knee before a will that is not my own, and because I know I will again be a source of embarrassment to my colleagues and my leaders, that I have decided to retire from public life. Were I rich enough to dispense with the asking of assistance from the electoral fund of my party, as I have always done in the past, I would remain in the political arena." After some coquetting with a possible nomination in Nanaimo, B.C., against Mr. Ralph Smith, it was finally decided by Mr. Joseph Martin, K.C., to remain out of politics and his picturesque personality was therefore not in the contest. On Oct. 1st the Canadian *Gazette* contained the appointments of Sir Richard Cartwright, Minister of Trade and Commerce, Mr. James Hamilton Ross, lately member of Parliament for the Yukon, and Mr. Davis, to the Senate; together with the Hon. P. A. Choquette who had recently retired from the Quebec Bench for the purpose of aiding the Liberal party in the coming elections. Senator Sir C. A. P. Pelletier took the latter's place upon the Bench.

In the Montreal *Herald* of Oct. 19th appeared a letter from the Hon. J. Israel Tarte confirming his intention of retiring for the present from public life and of devoting himself to journalism and his paper—*La Patrie*. On Oct. 30th he issued a farewell Address to his constituents in Montreal re-affirming his position on the fiscal and transportation issues and concluding as follows: "I retire without regret from Parliamentary life. I even feel a relief, as I have never counted upon the gratitude of political parties. Those, in fact, who build their hopes on such fragile soil frequently build upon the sand. I carry with me the profound conviction that I did my duty to the best of my knowledge and judgment towards my country, and towards the party in whose ranks I entered during its darkest days." Another prominent member who left the arena at this time was Mr. John Charlton, who, since 1872 and through eight elections, had represented Norfolk as a Liberal and, latterly, as a special and determined advocate of Reciprocity with the United States. On Oct. 7th he addressed his party Convention, reviewed his career in Parliament, eulogized Sir W. Laurier, urged better trade relations with the United States and announced his retirement on the ground of ill health. A Resolution was passed asking for his appointment to the Senate and the Hon. W. A. Charlton, M.P.P., a brother, was nominated in his place.

Dissolution of the Dominion Parliament

The General Election of 1904 was the tenth in the history of Canada as a united Dominion and the second held under the Premiership of Sir Wilfrid Laurier. The elections of 1891 had given Sir John Macdonald a majority of 31 which was greatly increased in the bye-elections of 1892. The Liberals, however, came into office in

1896 with an initial majority of 34. In this contest Ontario polled nearly even—40 Liberals to 43 Conservatives—and Quebec gave 49 Liberal seats to 16 Conservative ones. The elections of 1900 resulted in the return of the Liberals to power again with a majority of 53. Ontario gave them 37 to 55 Conservative seats and Quebec the greatest sweep in Canadian political history—58 Liberal seats to 7 Conservative. The following table* records the figures in the chief Provinces, or Provincial groups,† during the general elections held between 1867 and the year under consideration:

	Maritime Provinces.		Ontario.		Quebec.		The West.	
Date.	Cons.	Lib.	Cons.	Lib.	Cons.	Lib.	Cons.	Lib.
1867	10	24	47	36	47	36	..	..
1872	18	19	38	50	38	27	9	1
1874	9	34	24	64	32	33	8	2
1878	26	17	63	25	48	17	9	1
1882	29	14	54	38	38	17	8	3
1887	24	19	54	38	36	29	14	1
1891	31	11	48	44	30	35	14	1
1896	22	17	43	40	16	49	7	8
1900	12	27	55	37	7	58	6	11

In 1867 Sir John Macdonald's total majority of 22 was not strictly a Conservative one, but after that year the party issues were squarely defined. In 1872 his majority was six; in 1874 the Liberals won by 60 majority; in 1878 Sir John was returned with a majority of 86, in 1882 with 67, in 1887 with 41 and in 1891 with 31. Since taking office on July 13th, 1896, Sir Wilfrid Laurier had lost from his Government by death, resignation, or appointment to other positions, Sir Oliver Mowat, Sir L. H. Davies, Hon. J. Israel Tarte, Hon. A. G. Blair, Sir H. Joly de Lotbiniére, Hon. R. R. Dobell, Hon. C. A. Geoffrion, Hon. David Mills, Hon. M. E. Bernier and the Hon. H. G. Carroll. When Dissolution was announced on Sept. 30th, 1904, with nominations fixed for Oct. 27th, polling for Nov. 3rd, and writs returnable on Dec. 15th, the Government was composed as follows:

Premier and President of the Council	Rt. Hon. Sir Wilfrid Laurier.
Minister of Trade and Commerce	Rt. Hon. Sir R. J. Cartwright.
Minister of Justice	Hon. Charles Fitzpatrick.
Secretary of State.....	Hon. Richard W. Scott.
Minister of Marine and Fisheries	Hon. J. R. F. Prefontaine.
Minister of Militia and Defence	Hon. Sir F. W. Borden.
Postmaster-General	Hon. Sir William Mulock.
Minister of Finance	Hon. William S. Fielding.
Minister of Public Works.....	Hon. James Sutherland.
Minister of Agriculture.....	Hon. Sydney A. Fisher.
Minister of Railways and Canals	Hon. H. R. Emmerson.
Minister of the Interior	Hon. Clifford Sifton.
Minister of Customs.....	Hon. William Paterson.
Minister of Inland Revenue	Hon. Louis P. Brodeur.
Without Portfolio.....	Hon. William Templeman.
Solicitor-General (not in Cabinet).....	Hon. Rodolphe Lemieux.

* NOTE—The authority for these figures (excepting 1878) is the *Parliamentary Companion* and for 1878 I quote the Toronto *News*, which revised from the *Journals* of the House the commonly accepted and frequently quoted Conservative majority of 68 to the correct one of 86.

† NOTE—The Maritime Provinces include Nova Scotia, New Brunswick and Prince Edward Island after 1872, and the West includes Manitoba and the North-West Territories after 1882, and British Columbia after 1872.

Pulp-wood in the Thessalon River, Northern Ontario.

On Feb. 6th, 1901, Mr. Robert Laird Borden had been elected Leader of the Conservative Opposition in the House of Commons in succession to Sir Charles Tupper and since then had grown into the leadership of the party throughout the country. His principal lieutenants in the House during the years following 1900 when the leaders of other days such as Sir Charles Tupper, Hon. George E. Foster, Hon. Hugh John Macdonald and Hon. Dr. Montague had been defeated included Mr. Edward F. Clarke, Mr. F. D. Monk, Mr. Adam Carr Bell, Mr. T. Chase-Casgrain, Hon. J. G. Haggart, Mr. W. F. Maclean, Mr. James Clancy, Dr. T. S. Sproule, Colonel, the Hon. David Tisdale and Colonel S. Hughes. Latterly an independent support had been given the Opposition by Mr. Tarte. When the Dissolution of 1904 took place there were 129 Liberals, 77 Conservatives and 4 Independents in the House, with 4 seats vacant. In the Senate there was a small but sufficient Liberal majority for the first time since Confederation. It may be added that the decennial Redistribution of seats preceding the 1882 and 1891 elections had made changes in the representation and that in 1904 Ontario had to lose six seats, Nova Scotia two, New Brunswick and Prince Edward Island one each, while Manitoba gained three, the Territories six and British Columbia one.

Party Policies and Issues throughout the Country

The issues of the contest commenced under these general conditions were sufficiently complex to the impartial observer and entirely simple to the partisan who only saw one side of the shield —brightness of aspect, or darkness of record, as the case might be. To the Liberal of convinced opinion there was the Government's Preferential tariff policy making Canada known in the Mother Country and extending the scope of its sympathies and its trade; a record of substantial improvements in the great St. Lawrence waterways; the establishment of an Imperial Penny Postal rate; the work of the new Labour Department under Sir William Mulock and the projected settlement of Labour disputes by Boards of Conciliation; the great project of a second trans-continental railway opening up the West, promoting the interests of the East, employing much labour, and enriching the cities, towns and country through which it was to pass; the evolution of a fiscal system which protected industry and the producer without injuring the consumer; the picture of an abounding revenue, large surpluses and a reduced national debt; a flowing and increasing tide of immigration; the establishment of a modern equipment in the Militia with annual drills and increased expenditure upon its interests; the wonderful growth of the North-West under the administration of the Minister of the Interior; the growth of trade by leaps and bounds in the preceding eight years; the granting of bounties to iron and steel and other industries, the lowering of duties, partly through the British Preference, upon agricultural implements, woollens, cottons, etc., and the removal of duties from binder-twine, wire, and cream separa-

tors; a capital expenditure of $65,000,000 upon public works during 8 years of Liberal rule; a progressive and useful administration of agricultural affairs; postal reforms and the inauguration of a surplus in that Department; establishment of government in the Yukon and wise and careful administration of its resources; exclusion of the Chinese by a prohibitory poll-tax; an improved ballot system and a fair redistribution of seats after the Census of 1901; an export of farm products in 1897-1903 amounting to $578,000,000 as against $331,000,000 during Conservative rule in 1890-96; wide prosperity and general progress.

To the Conservative this picture was obscured if not obliterated. To him the Preferential tariff was one-sided in fact, disastrous to the Woollen and Cotton industries in effect and used by the Government to discourage the idea in Great Britain that a return preference was desirable or necessary. He claimed that the Laurier Government did not desire to aid Mr. Chamberlain in his Imperial campaign and that Liberal sympathies were still inclined toward Reciprocity with the States rather than with the Mother-land; that not enough was being done for the St. Lawrence waterways which the proposed Grand Trunk Pacific would side-track rather than utilize; that the Labour Department was being run as a political machine with a useless Alien Labour law which permitted the employment of alien surveyors, engineers and labourers upon the projected work of the new Railway and in other enterprises throughout the country; that the Grand Trunk Pacific would increase public liabilities by $150,000,000, affect the national credit, parallel and ruin the Intercolonial, constitute a dangerous and corrupting partnership with the Grand Trunk Railway, make future Government ownership of railways impossible, carry Canadian products to Portland, Maine, instead of to Canadian ports at Montreal, Quebec, Halifax or St. John, and prove at once a great public gift to the Grand Trunk and a heavy drag upon the public interests; that the Government's tariff policy gave inadequate protection to many Canadian industries and admitted some $100,000,000 of imports from the States of goods which should be made in Canada; that the growth of the West, the increase in trade and the expansion of revenue were due not to the present Administration but partly to the Railway policy of the preceding Government, somewhat to the maintenance of the protective principle of the Conservative party, and partly to the general and universal good times; that the Liberal appointments to office—as in the Jackson case—had been extremely discreditable; that the Government had tried to hamper the action and get rid of the financial powers of the Auditor-General; that the political control of the Militia had become a public scandal and a danger to the Force; that the dismissal of Lord Dundonald was one of the most unpatriotic, injurious and discreditable incidents in the record of the Government or in the history of Canada; that the Redistribution was a gerrymander in the party interests rather than a fair re-adjustment of

representation; that the administration of the Yukon had been prolific in public corruption and extremely discreditable to the Federal authorities; that the Liberal Government had, in fact, broken every pledge made to the people in 1896 including their promises of free trade, economy of administration, lower taxation, opposition to surpluses, no appointment of members of Parliament to office, and clean administration of public affairs.

As to some matters there could be no dispute—or at least any that would be effective. The times were good throughout Canada, work was plentiful, the crops had been excellent in the main for several years, trade had expanded enormously and the increase was continuing, immigrants were coming in steadily, the surplus of revenue over certain specified expenditures was large and increasing every year, the Post Office had been well administered and also showed a surplus. It was well understood that prosperity in the country must prove a great factor in the elections, while another prominent element in the situation was the personality of the Premier and the absolute certainty of a large if not predominant vote for him in Quebec. As against these considerations was the determined work which the Conservatives had put in for months past in the latter Province coupled with the favourable figures of recent bye-elections; the growing confidence felt in Mr. Borden's character and personality; the expected influence of the Dundonald incident upon the silent Scotch and ultra-British element in the country; the fully-believed devotion of the West to the idea of Government ownership of railways; the elimination of Mr. Blair and his master-hand from New Brunswick politics; the expected aid to be given in the West by Messrs. Roblin, Haultain, and McBride, the respective Conservative Premiers of Manitoba, the Territories and British Columbia.

In the campaign literature and party press of the period the beneficial performance or responsible actions of the Government were described in much detail. The Liberal writers and speakers gave a list of 100 achievements of the Government since 1896 including, besides the larger matters already indicated, an average reduction in customs duties of 13 per cent.; the placing of Government securities upon the British Trustee lists; the Canadian percentage in growth of trade as being 107 against 47 per cent. for the United States; the establishment of Commercial agencies abroad; increased steamship services and facilities; appointment of the Transportation Commission and creation of a Railway Commission; abolition of Canal tolls; completion of Trent Canal to Peterborough and survey of Georgian Bay Canal route; assistance to British Pacific Cable; building of Telegraph line to the Yukon; the German Surtax, anti-dumping law and regulation of Combines; building of the Crow's Nest Pass Railway and bringing of the Intercolonial into Montreal; provision for cold storage transportation and aid given to tobacco growing; establishment of Canadian rights in Hudson's Bay and extension of Mounted

Police patrol to the Arctic Ocean; establishment of a Department of Mines and Assay Office; taxation of Chinese and amendment of the Franchise Act; abolition of United States quarantine regulations regarding Canadian cattle.

The farmer's support was asked on the ground of lower tariffs, appointment of a farmer as Minister of Agriculture and the extension of Experimental Farm operations; increased protection against contagious diseases amongst animals; establishment of poultry-fattening stations, mechanical storage on ocean steamers, ventilated refrigerator railway cars for perishable products, cooling chambers in Atlantic vessels for cheese and apples, bonuses to cold storage rooms in creameries; encouragement of trade in stocker cattle and range-bred horses; co-operation with Provinces in organization of Farmers' Institutes; legislation against dishonest fruit packing and marking; the issue of thousands of agricultural bulletins and leaflets and extensive exhibits of Canadian farm products at many great Exhibitions abroad. Organized Labour was solicited on the ground of the Government having established the Department of Labour, and issued the *Labour Gazette;* abolished the sweating system on Government contracts and provided therein for the current or union rate of wage; settled various strikes and lockouts by means of the Labour Department; passed an Alien Labour Act and placed the Union Label on Government printed matter; made railway companies responsible for injuries to employees caused through negligence of the companies; increased the wages of Intercolonial employees.

Against this the Opposition programme was negative or historical. Prior to 1896 they had a great party record—Confederation, creation of the entire administrative system, the national policy of Protection, the Canadian Pacific Railway, the suppression of the Rebellion of 1885, a prolonged period of constructive legislation. But these things were in the now distant past and custom had destroyed their political effect. To the demand for a national owned trans-continental line came the response that the Government one was half-owned by the country and was more certain of immediate construction. They asked for a more stable and higher tariff, an Auditor-General with more independent powers, a Militia free from partisan politics. But in all this there was nothing which met the actual record and facile promises of a Government in power and which expected to be returned to power. More distinctive issues were the proposals of the Farmers' Association, which met in Toronto on Sept. 8th and passed Resolutions to the following effect:

1. Commending the work of the Railway Commission.
2. Urging greater commercial reciprocity with such nations as might desire it.
3. Unalterable opposition to any increase in present tariff rates.
4. Opposition to the policy of subsidising railways and other private companies.

5. In favour of local telephone companies being allowed to enter railway stations.
6. Adhesion to the principle of equalization of taxation. Retention of water-powers as the property of the people.

In some of the Provinces, notably British Columbia, there were special local issues. The condition of the Lumber industry was peculiar and unfavourable. Considerable labour was employed in the timber limits, logging-camps, machine shops, foundries, etc., and a large question was also involved in the proposed imposition of a duty upon United States lumber similar to the United States duty on Canadian lumber. This fiscal aid the Dominion Government had declined to give in view of the interests of the Western consumer. Free trade in lumber, or equal duties with the United States, was consequently the Conservative cry. Other alleged grounds of local complaint were as follows:

1. The refusal of Cabinet representation at Ottawa.
2. The granting of trap-fishing licenses in violation of the law.
3. The neglect to dredge the Fraser.
4. The refusal of a subsidy to the Fraser River Bridge.
5. The refusal to make provision for commencing construction of the Western division of the Grand Trunk Pacific from the Coast.
6. The denial of justice to the settlers on Dominion lands.
7. The ignoring of the claims of local shipyards in the matter of building the steamers required for Fraser River service.
8. The preventing of the electors in Yale-Cariboo, Kootenay and Comox-Atlin from voting on the general polling day.
9. The importation of horses for Government service from across the border, free of duty, when the finest horses on the continent could be had in the Fraser valley.

On Oct. 9th Sir Charles Hibbert Tupper issued a manifesto to the people of the Province, as President of the Conservative Union, denouncing the Government for declining a re-consideration of the financial relations of British Columbia and the Dominion and for refusing protection to the lumber, shingle and lead industries. Mr. John C. Brown, Vice-President of the Liberal Union, replied by claiming that the Conservatives when in office had given British Columbia no " better terms " and that the Grand Trunk Pacific project would do much for the Province. Lesser things did not matter in comparison. On Oct. 20th Senator Templeman, member of the Dominion Government from British Columbia (without portfolio) stated in Victoria that " if better terms were granted, it would be for all Provinces, upon a fair and equitable basis for all. He was not in favour of giving a larger subsidy to British Columbia to be squandered by the Provincial Government. His idea was that the Government should spend larger sums upon public works in the Province. Works like the Fraser River Bridge should be done under the Dominion Government. The representatives of the Ottawa Government from this Province could be better entrusted to expend money wiselv upon the public works of British Columbia rather than to grant larger

subsidies to be squandered by the McBride Government." In the Territories Autonomy was a prominent issue, while all through the West that of transportation was the dominating factor. In New Brunswick the position of Mr. Blair and, in Nova Scotia, the coming and the construction of the new railway were important topics of controversy. The Chamberlain policy was not an aggressive issue in the contest.

Sir Wilfrid Laurier Opens the Campaign

An early incident of the contest, which was formally inaugurated some weeks later, was a demonstration of popular regard given to the Prime Minister at New Carlisle, Que., on Sept. 2nd. In his speech Sir Wilfrid said little about politics but spoke earnestly of his great desire to harmonize the divergent races and religions of the country in a common national unity. A great aim of his Government, also, was to build railways, dig canals, build wharves and encourage, generally, the extension of transportation facilities. The opening address of the 1904 general elections was, however, delivered at Sorel, in his native Province, on Sept. 28th, amid scenes of popular enthusiasm, gay decorations and flying flags, crowded street demonstrations and a great outdoor audience of 5,000 devoted French-Canadian followers. With the Premier were the Hon. Messrs. Brodeur, Prefontaine and Lemieux—all of whom spoke. Sir Wilfrid commenced his speech by referring to his long absence from Sorel. He hoped that far from the eyes did not mean, in this case, far from the heart. It was in 1895 that he had last addressed them and he proceeded to compare the then depressed conditions when "agriculture was down, industry languished and trade was almost nil" with the prosperity of the present. Eight years of progress under his Administration had followed since 1896 and conditions now proved his boast of years before that "if ever a Liberal Government came into power I would not need books to prove your prosperity, but you would find it in your pockets."

As the speaker, with characteristic eloquence and felicity of expression, proceeded, he met with continual applause. In 1895 he had preached "the gospel of the great Canadian country—not merely that country upon the banks of the St. Lawrence, but every portion of that vast expanse of this continent over which floats the British flag." Since then he had continued to urge a policy of amity and conciliation amongst the two races of this great country. "Patriotism is not based upon prejudice." The struggles of the past, of faction against faction, had given way to peaceful co-operation; had been succeeded by united effort for the development of the country. Hence the present progress and prosperity of Canada. Along lines of material development the Government had done much and he dealt with the cold storage facilities and other aid given to farmers and to the opening up of new markets for their products. Tariff reform had been promised and the reforms carried out had satisfied all classes of

society. Another fiscal revision would be needed before long, however, and, as in 1897, it would be preceded by careful investigation into the country's changing conditions. The British Preference had been much discussed and he charged the Opposition with having no defined principles or policy in respect to it—being neither fish, flesh nor fowl in their treatment of the subject. Upon this question and its Imperial developments he continued as follows:

> I introduced the Preference policy, and I am ready to defend it; you have already secured the profits of it. We gave the British preference because we want British trade. Great Britain is our best market. It is there your products go. We do not sell five or two per cent. to other countries. This makes it our duty to develop our trade in that direction, and our exports are growing greatly. But to secure low freight rates on your products it is necessary that the ships carrying them should bring back cargoes of English goods; that is the vindication of our Preference policy. Are you going to continue that policy? On that point the answer is easy. It has been before the country for two years. It was given, not in Ottawa or in Canada, but in the heart of the Empire at London, at the Colonial Conference, when I declared to the Empire that I and my colleagues of the Government were ready to make a trade treaty.

This very right and power of negotiation with the Mother Country was a proof of legislative independence, a vindication of Government policy, and an evidence of the "toleration of the British Government in its relations with the Colonies." The Railway issue was then dealt with. Their policy was based upon the need of the Western settlers; upon the increasing products which must be carried to the world's great markets; upon the desirability of promoting Western consumption of Eastern manufactures; upon the necessity of developing the fertile, rich forests and innumerable waterways back of the Laurentian range; upon the hope of Canada being the great highway for trade between Europe and Asia. "I believe I will live long enough to see that Railway built and to see the merchandise of Europe and Asia passing and re-passing along it as well as the trade of Canada. I hope to see steamers leaving Quebec and Montreal loaded with the products of the Orient and returning again with cargoes for the West to be shipped *via* Port Simpson to the trading centres of the East." Further remarks were made as to the cost of the Railway and as to Mr. Borden's alternative plan—the Opposition policy being described as "a perfect Tower of Babel and confusion of languages." The speech concluded with a statement that news as to the general elections would be forthcoming in a few days.

At Quebec, on Oct. 5th, the Premier made his first public appearance after the Dissolution which he had hinted at in his Sorel speech. The constituency which he had represented for 27 years gave the Premier a splendid welcome with some 5,000 people trying to get into a building which only seated 1,500. Before the public meeting he had consulted with representative party men from neigh-

bouring portions of the Province and introduced concord and apparently dissipated discords in certain much-advertised local conditions. In his speech Sir Wilfrid expressed pride in the initiation and expected completion within three years of the Quebec Bridge which was to unite the interests of the Provinces at this centre and towards which Parliament had voted a million dollars. He reproached the Canadian Pacific for having part of its line running through the State of Maine. "For our own benefit, usefulness and dignity Canadians should be masters in their own country, and should have their all-Canadian line." The Grand Trunk Pacific would open up immense regions in Northern Quebec and would not parallel the Intercolonial but run nearer the American border and through villages and populations which did not exist when that road was built. The Government would only have to pay out about $15,000,000 for the project. He opposed Government ownership, as such railways could not compete with private companies, and believed that on Nov. 3rd a great victory would flash over the wires in endorsation of his motto "Canada First; always Canada!"

The Opposition Leader's Tour of Ontario

The next outstanding incident of the campaign was Mr. R. L. Borden's tour of the Province in which his party expected the most conspicuous measure of support and during which he addressed audiences at Aylmer and St. Thomas on Sept. 15th; London (Western Fair Luncheon) on Sept. 16th; Kingsville and Windsor on the 17th; Sarnia on Sept. 19th; Blenheim and Chatham on the 20th; Stratford on Sept. 21st; Brampton on the 22nd; Port Hope (a reception and a political meeting) on Sept. 28th; Napanee on the 29th; Port Hope again on Sept. 30th (non-political); Bowmanville on the 30th; Toronto on Oct. 4th; Toronto Junction on the 5th; Wingham on Oct. 6th; Dunnville on the 7th; Havelock and Peterborough on the 8th; Picton on the 10th; Brockville on Oct. 11th, and Cornwall on the 12th.

The tour had commenced nearly two weeks before the announcement of Dissolution and the Town of Aylmer was the scene of the first address on Sept. 15th. After speaking of the severe personal labours of leadership and referring to the seven weeks he had spent at home in Halifax during the past 18 months, Mr. Borden dealt with the corrupt acts charged against the Government in connection with bye-elections in West Huron, in the Town of Brockville, and in Montreal. He declared that representative institutions were threatened by politicians who would and could hire men in organized gangs to thwart the will of the people and he took occasion to also denounce the alleged corruption of Provincial politics in Ontario. From these considerations he passed on to deprecate the making of Judicial appointments a matter of political intrigue; to denounce the Jackson appointment and its defence by Sir Richard Cartwright; to criticize the Government's policy toward the Auditor-General and to compare it with the

principles and practice of Mr. Mackenzie in making the original appointment to that office.

In dealing with the transportation question Mr. Borden referred to the great distance of Ocean ports from the centres of production in Canada and the consequent necessity for cheap and expeditious transportation facilities. His preliminary policy regarding a new railway across the continent was the appointment of a Commission of Experts to investigate the matter of routes and ports, resources and development, and to then report to Parliament for action. Nothing of this kind had been done by the Government and they had proposed, discussed and passed their Grand Trunk Pacific measure upon inadequate knowledge and with insufficient data. He denounced the legislation by which $25,000,000 in Grand Trunk Pacific stock was to be given the Grand Trunk for a nominal consideration; depicted the latter road as controlling the Government's policy and compelling the recently passed amendments in their own favour and against the country's interests; quoted the Hon. Mr. Blair's protests against the Railway policy of the Government; denounced the project as one in which the country supplied nine-tenths of the cash and credit and then handed over to a Corporation providing one-tenth the only portion of the road likely to prove profitable in the next quarter of a century. "It was better for the people to pay the whole amount and own the whole Railway."

He spoke at length of the supposed injury to the Intercolonial by a rival and parallel line, and declared that the terms of the Contract with the Grand Trunk Pacific Railway were not sufficiently defined to prevent that road and the Grand Trunk from continuing to build up Portland, U.S., at the expense of Canadian ports. His policy was to extend the Intercolonial from Montreal to Georgian Bay, keep its business for Canadian ports, and utilize the millions already invested in this Government-owned road. Adequate protection to all great Canadian industries with the building up of cities and towns as an ever-increasing home market for the Canadian farmer was stated to be another branch of his policy. He declared himself to stand for a mutual preferential tariff within the Empire and, if returned to power, promised to back up Mr. Chamberlain in carrying out proposals which involved neither sacrifice of rights nor encouragement of so-called militarism. He wanted a Reciprocity Treaty with Britain rather than with the United States. In concluding, he deprecated the jibes of the Liberal press as to his followers in Parliament, and proclaimed the party to have most excellent material for the formation of a Government—men with experience in legislation, with successful records in business and with high personal character and capacity.

In the evening Mr. Borden spoke at St. Thomas and dealt at some length with the question of politics in the Militia. On the following day he visited the Western Fair at London and was

entertained at Luncheon by the Directors. The text of his brief address was better knowledge of each other amongst the Provinces. In the afternoon of Oct. 17th he spoke at Kingsville to a gathering of farmers and was welcomed by a convert to Conservatism in the person of Mayor Brault of Amherstburg. The Opposition Leader described his party as that of hope, confidence and large views and declared that, though not opposed to spending public money for national development, they did not believe in spending it to keep a party in power. A high tribute was paid to Lord Dundonald:

I think in Lord Dundonald we have lost an officer inspired with the true Canadian spirit—a man who believed in this country, a man who understood our aspirations, who went among the people, who was beloved by the soldiers who served under him, a man who had no political object in view, a man who was not associated with the Conservative party, a man who desired only one thing, the placing of the defence force of this country on a proper basis; a man who desired no Imperialism in this country, but who believed in the volunteer force of Canada, and prepared a scheme which would have given us an effective force able to protect us against all possible dangers.

In the evening at Windsor the Railway question was chiefly dealt with and the Chamberlain policy was also endorsed. At Sarnia Mr. Borden visited the greater industries of the town and in the evening his address might be summed up as advice to punish corruptionists, protect the Treasury and develop the Dominion; concluding with a confident appeal for work and support to all Canadians "who believe in the future of this country, to all Canadians who believe in a closer commercial tie with our kinsmen throughout the Empire, to all Canadians who trust that in 1904 we shall have a great national transportation policy, as we had a great national fiscal policy in 1878." The meeting at Blenheim was notable for a clear and weighty utterance upon Prohibition. It was in reply to a question from the Rev. O. B. Brown as to what he would do in this respect if returned to power. He stated that the Privy Council decision had removed the matter from Federal jurisdiction; that the Conservative party had never given any pledges regarding this subject; that, in any case, the first thing to do was to so educate public opinion that when a law was passed it would be enforced; that the matter was one of Provincial legislation and for the Hon. Mr. Ross' consideration:

I respect Temperance workers. I respect the cause for which they work. Personally, I very seldom indulge in anything that would be regarded as intoxicating liquor, not so much from principle as for other reasons. I could not do my work. I do not believe it is a good thing for me. I do not regard it as right for me. I use my own judgment in that regard. But though for the purpose of removing an evil I would be glad to sacrifice my own individual liberty, I do not believe in this Canada of ours in passing any law until public opinion has been brought up to the standard of enforcing it.

Upon the Railway issue Mr. Borden repeated his declaration that the Contract bargain was not really closed. "We stand as

strongly as do our political opponents," he said, "for the sanctity of contracts or the safety of vested interests, but we do not forget that railways are practically the public highways of modern commerce. If the people of Canada declare their will to pay the other tenth, and own the railway from the Atlantic to the Pacific, then the Conservative party, if returned to power, will see that such legislation shall be placed upon the statute book as shall secure that the will of the people thus declared shall be carried out." At Brampton, the Opposition Leader stated that the Grand Trunk Pacific schemes would "side-track and strangle" the Intercolonial; that the Government were clearly guilty of "indecision and opportunism" in tariff matters; that personal character and capacity should be regarded before party service in appointments to high administrative office.

At Guelph he reiterated his claim that the country had as much right to expropriate Grand Trunk Pacific interests as that and other railways had to expropriate private interests. He proclaimed again his policy toward Mr. Chamberlain's proposals as one of action and not of indifference or inertia. No hesitation had even been shown in asking the United States for Reciprocity and why should there be any in negotiating for the greater and better reciprocity which Great Britain could offer? The alleged broken pledges of the Liberal party in regard to expenditure, the Senate, the number of Cabinet Ministers, the appointment of friends and relatives to important public positions and the appointing of members of Parliament to posts of emolument were also denounced. The illuminated Addresse presented to Mr. Borden at Orillia was a most elaborate affair headed with a Union Jack clasped in two hands. National development, and closer unity in sentimental and commercial ties with the Empire, were two topics of his succeeding speech. At Ottawa he declared the country to be "sick of the deceit, dissimulation and delay" of the present Government. At Port Hope he pleaded for full protection for the ballot box, denounced the "bold and brazen" conduct of Sir. R. Cartwright in the Jackson case and asked for better safeguards to the Treasury, as urged by the Auditor-General.

The Toronto gathering to hear Mr. Borden was characteristic of that Tory city in being large in numbers and interested in bearing. But it was not as crowded as Sir Wilfrid Laurier's succeeding meeting and perhaps not as wildly enthusiastic. The address was a model of conscientious and thoughtful presentment, with no appeal to passion or prejudice, and accompanied by a manner and bearing which aroused involuntary respect. Dr. Beattie Nesbitt, M.L.A., was in the chair and other speakers were the Hon. George E. Foster and Mr. J. P. Whitney, the Ontario Leader. In opening his speech Mr. Borden referred to the responsibilities and labour of leadership and to the fact that from the time he had accepted the position "all my strength, all my energy, and all my ability have been at the command of my party and, what I think

is the same thing, at the command of my country." He had travelled from end to end of Canada and in pursuance of his duty had spent barely seven weeks in his own home since January, 1903.

He then dealt briefly with the Alaskan Boundary case; stated that the Canadian Government had been given the fullest powers of negotiation and arrangement; that they had signally failed to settle the question and had then resigned their commission to the Mother Country; that they had, even then, been consulted at every stage of the further proceedings; that they afterwards tried to throw the blame on the Imperial authorities; and that the Liberal motto ought to be not "Laurier and the Larger Canada" but "Laurier and the larger United States." The Railway question was dealt with at great length and the Opposition view of it as affecting the matter of ports and rates, the Intercolonial and the waterways, Canadian labour and credit, cost and control, was elaborated with clearness and argumentative force. It was declared to be the greatest issue placed before the people in 25 years and words were not played with in the following description:

I have said in Parliament that on this question depends the issue whether we shall have a Government-owned railway or a railway-owned Government. I may go further and say that the issue is, as indeed it is, whether the people shall own the railways or the railways own the people. It is a question whether the great corporations shall exercise the franchises we bestow on them for the benefit and in the interests of the people, or whether these franchises shall be exploited for the making of millionaires and the exploitation of the country and the people for the advantage of a few favoured individuals.

As in his other speeches throughout the Province, though perhaps at greater length, reference was made to the Dundonald affair, the Auditor-General's demand for greater powers, the Dominion tariff and the Chamberlain fiscal policy. A careful defence of the Conservative position in the Cornwall Canal matter was also elaborated. Incidentally he made an important declaration regarding the Intercolonial. "If the Conservative party is returned to power it will at least make the experiment of placing the Intercolonial Railway under management absolutely free from partisan politics and partisan interference." The impression left by this speech was especially strong amongst thinking men. It was closely reasoned, incisive, deliberately analytical, and of a type not often heard in political campaigns in Canada.

Various other meetings followed in the order already given but the proceedings do not warrant much further reference here. At Dunnville Mr. Borden asked the people to put him out of office if ever guilty of corruption such as had lately been prevalent. At Brockville he denounced the alleged alliance between the Ontario and Dominion Governments and dealt at some length with recent Provincial scandals and evidence of corruption as well as with the manipulation of stolen ballots by which Mr. Bergeron was said to

have been defeated in a recent bye-election in the St. James' Division of Montreal. Here, as elsewhere, he urged a treaty of reciprocity with the Mother-land and deprecated any approach toward such a policy with the United States. Mr. Borden was accompanied throughout this campaign by his wife, and besides local speakers was assisted from time to time by Mr. David Henderson, Mr. W. H. Bennett, Lieut.-Col. S. Hughes and other members of the late Parliament.

Ontario Tour of Sir Wilfrid Laurier

There was no doubt of the personal success of the Prime Minister's visit to various centres of the Conservative Province of Ontario during the campaign which followed. A picturesque and interesting figure, at all times, Sir Wilfrid Laurier during this tour inspired the greatest enthusiasm among his followers and met with nothing but evidences of respect from his opponents. Crowded and cheering audiences everywhere, with waving flags and decorated streets in many of the places visited, seemed to indicate much personal popularity, if not a marked political change. At Hamilton, on Oct. 10th, he visited some of the great industries which had sprung up during the past decade—notably the International Harvester Company's works and those of the Canadian Westinghouse Company—and was greeted with a distinctive demonstration at the evening meeting. At Guelph, on Oct. 12th, the Premier's reception was more than cordial.

But it was the Tory city of Toronto which gave him on Oct. 14th the most enthusiastic welcome of the whole tour. The *Globe* claimed it to be the greatest demonstration in local annals, with the possible exception of a similar greeting accorded Sir Wilfrid in 1900. Whether it was more enthusiastic than others—such as the reception given to Lord Dundonald—need not be determined here. There was, however, no doubt of the popular desire to see and hear the Premier, of the enthusiastic cheers within Massey Hall, or of the thousands who could not obtain admission or do more than share in the welcome of the crowded streets. Other addresses of the tour were given at Chatham on Oct. 15th; at Wingham and Lucknow on Oct. 17th; at Uxbridge on the following day; at Orillia on the 19th; at Peterborough on the 20th; at Cornwall on the 21st; at Carleton Place on Oct. 22nd, and at Alexandria on the 24th.

The speech at Hamilton was notable as Sir Wilfrid's first statement of his present case in the Province of Ontario. Mr. James Chisholm, President of the local Liberal Association, presided and, with the two local candidates and the Hon. William Paterson, spoke briefly. The Premier commenced with a consideration of tariff conditions. He described the fiscal policy of the Liberals in Opposition, and now in office, as the formulation of a tariff which would benefit the consumer without pressing unduly upon the producer. The proof of the pudding was in the eating and the success of their fiscal policy was seen in the prosperity of the country. Stability was essential and frequent

changes, or tinkering with the tariff, most undesirable. But, occasionally, revision was necessary and Mr. Fielding, Mr. Paterson and the Cabinet generally had come to the opinion that it would shortly be desirable. It would, however, be preceded by a careful investigation, as in 1897, and the advice and opinions of all classes and elements in the community would be sought. They proposed, however, to get out of old grooves:

> Up to the present time we have had only one line of duty which we apply to all countries alike, except to Great Britain, which has a preference. But we propose a new chapter. We propose to have a double class of duties—a minimum tariff and a maximum tariff. The minimum tariff we shall apply to such countries as shall deal with us fairly; which will sell to us and buy from us. The maximum we propose to apply to countries that are selfish in their methods, that insist upon selling to us, but which will not permit elasticity, or reciprocity, or fair-trade arrangements with us. We believe we are following the consensus of opinion of all Canadians when we apply to others the treatment they apply to us.

A criticism of Mr. Borden's phrase or policy of "adequate protection" followed and Sir Wilfrid defied anyone to accurately define its meaning or application. From this he passed to consideration of a motto on the walls: "A Preference to British Kin" and declared that the Conservatives had never shown any sympathy with this sentiment and policy. It had done much for Canada in giving to the country its commercial independence through a removal of the shackles of old-time treaties; it had developed trade with Britain and had made the Chamberlain proposals possible. To the latter policy he made this reference: "The time will come, I believe, for mutual trade between Great Britain and Canada. Canada is ready for it, but it is for England to pronounce, and until England has first pronounced we stand upon our policy which we laid down in 1897, and which we have maintained and developed." The Trans-continental Railway project, however, was the pivotal topic of the address and its consideration took up seven columns of the *Globe* on the succeeding day. The Premier dealt at length with the record and position and possibilities of the Intercolonial; with its warning example as to Government ownership and operation of railways; with the comparative cost and character of the Canadian Pacific Railway; with the all-Canadian nature of the Grand Trunk Pacific and the certainty of its national interest in transportation to Canadian ports; with the cost of the new road, the Government's expenditure and the common stock question; with the alternative plans suggested by Mr. Borden and others.

From Hamilton the Premier proceeded with his tour of the Province. Many of the towns he passed through welcomed him with decorated stations and tendered him musical honours, or welcomed him with crowds which in some cases were rewarded by a brief speech. At Guelph, on Oct. 12th, there was a great gathering with an overflow meeting in addition. As at Hamilton and in

succeeding meetings Sir Wilfrid was accompanied by the Hon. Mr. Paterson, Minister of Customs, who followed him in one of those campaign speeches which his powerful voice so well suited. The Premier's speech contained a most marked personal tribute to the local member, Mr. Hugh Guthrie, K.C., as "the pride of the House of Commons" and one of those younger men who would have to bear the burdens and responsibilities of the future in Canada. His Government and he himself had been slandered by the Opposition, he declared, but so had Alexander Mackenzie whom all now united to honour. He eulogized the greatness of the British market and dealt with the development in that direction which had taken place under the auspices of the present Government. Upon the Preference the policy of the Opposition was "fugitive, evanescent, and varying with time, circumstance and place—chiefly place." The national progress of Canada could only be continued and completed by a party with the same story and policy in all the Provinces. Their country was the soil of America as covered by the British flag and their motto should be "Canada first, Canada last and Canada always." Government ownership of railways was most vigorously denounced as being an offshoot of Populism from over the border. The Grand Trunk Pacific would develop the country rapidly because in its operation there would be "an energy, an enterprise, an activity, an economy, impossible to conceive of in any Government-owned railway."

At his great Toronto meeting Sir Wilfrid Laurier received an ovation of which not even the subsequent voting of the Conservative majority in that city could, presumably, remove the impression. It was a spontaneous and eager tribute to a popular personality. The chair was occupied by Sir William Mulock and speeches, more or less brief, were given by Mr. A. B. Aylesworth, K.C., the Hon. Mr. Paterson and the local candidates—Mr. Mayor Urquhart, Mr. J. Knox Leslie and Mr. T. C. Robinette, K.C. The latter stated that he "would oppose with all his might, as most dangerous and undesirable, a Reciprocity treaty with the United States." In his address the Premier referred most warmly to Mr. Aylesworth as "the latest accession to my Cabinet" and as one whose name and fame were appreciated wherever the British flag floated. He dealt with the growth of Canada in the esteem and knowledge of the world of nations and gave much of the credit to the Preferential policy of his Government. The denunciation of the Belgian-German Treaties at the request of Canada was described and credit assumed for the courageous stand taken by Canada in the matter of the German Surtax.* Dealing with the Railway issue Sir Wilfrid described the Conservative policy as one of "jumbling and buying"; as a scheme which "lasted just the life of a rose—bloomed one morning and the next morn-

* NOTE—See history of this question and of British policy in connection with it in *Annual Review* for 1903, pages 256-61.

ing was no more." The speech was a long one and near the close, amidst immense applause, the speaker used his afterwards much-quoted reference to the nineteenth century as the century of United States development, and the pointing of all present signs to the fact that "the twentieth century shall be the century of Canada and of Canadian development."

The Chatham meeting, on the following day, was notable for an expression of policy regarding Prohibition. In the early part of his speech the Premier declared that Providence was on the side of the industrious and not the laggard. Hence the good times which had followed upon the efforts and work of his Government. He claimed the settlement of the Manitoba School question as one of their services to the country and dealt with other matters of the campaign. In response to a question from the audience Sir Wilfrid said that many Liberals were in favour of Prohibition and many were not. "I claim for my part that Prohibition is not necessarily temperance. . . . I am not a Prohibitionist personally." He was a temperance man, however, and his Government had carried out the Liberal party's pledge to hold a Plebiscite upon the question. The result had been a very small vote and a very small majority for it with one great Province (Quebec) almost entirely against the policy. Action was, therefore, inadvisable and now it had been decided a matter of Provincial jurisdiction. At Lucknow Sir Wilfrid declared that he had been born under a lucky star and did not believe his luck was exhausted yet. He defined his political school of thought as follows: "I am of French blood, but I do not remember that there ever was a day in my life when I did not proclaim myself a Liberal of the English school, a Liberal of the school of Fox and of Bright." His Government had lifted Canada step by step into its present proud position. "Eight years ago we found her a small colony, and it is no exaggeration to say that to-day she is built up to the rank of a nation." At the Uxbridge meeting the Premier depicted in glowing words the value of the Grand Trunk Pacific to Ontario:

> **Behind the mountains to the north of them, where they had formerly believed there was nothing but a bleak waste, they now knew there were millions of acres of good land, millions of cords of spruce and pulpwood, water powers incalculable, minerals, elements of wealth untold, which now awaited the arms of the strong. All this would be opened up by the new Railway, and that was what there was in it for the Canadian people and the Province of Ontario, especially, and that is one reason why the Opposition dare not maintain their antagonism to that Railway.**

Speaking at Orillia, on Oct. 19th, Sir Wilfrid—who was described by Mr. J. B. Tudhope as "the man who made Canada" —referred to the Preferential tariff as "a work of Providence under the Canadian Government" and, after a declaration that he always used the same language in all Provinces, asserted that "we want to be a nation but we cannot be a nation unless we fairly put before the people ideals which will appeal to all men whatever

their religion or race." At Cornwall he told his audience that he had of late been a pretty sick man. In such a condition of health a man either dies or recovers. He had recovered and expected to have enough strength to win a victory on Nov. 3rd. To a great Peterborough audience he said that the Trent Valley Canal must have an issue either at Port Hope or Trenton. The route was now being surveyed and the result of the matter was one "to be decided by engineers." Carleton Place and Alexandria were the last of the towns addressed on this tour—one in which the Premier had spoken to some 40,000 people and conversed at railway stations and social functions with many more thousands. Throughout the two weeks of travel and political work he had been accompanied by his wife. Prominent local Liberals spoke at the various meetings and others from a distance were with Sir Wilfrid at one or more of them—including, amongst others, Messrs. George C. Gibbons, K.C., of London, and N. W. Rowell, K.C., of Toronto.

Mr. Borden in Quebec and the Maritime Provinces

Meanwhile, the Opposition Leader had passed naturally from Eastern Ontario to Montreal. But before outlining the events of this part of his campaign reference may be made to a preliminary speech at St. John on the preceding 8th of September. After reviewing the general issues of the coming contest Mr. Borden declared that if he could not be elected locally without the aid of vote-buying and liquor he would prefer to be defeated. He accused the Liberals of doing this and of shirking election law legislation at Ottawa which might have checked corruption. His vigorous onslaught upon the Grand Trunk Pacific project was based upon its alleged building up of Portland, Maine, at the expense of St. John and Halifax. The Hon. George E. Foster also spoke and, incidentally, denounced Mr. Blair for accepting his Railway Commission position from a Government which he had so strongly opposed. He (Mr. Foster) would rather be a defeated member of Parliament than Chairman of a Railway Commission under such circumstances. At Montreal Mr. Borden received, on Oct. 14th and 15th, a most marked reception. Windsor Hall, on the first evening, was filled with a large and representative audience who listened with keen interest to the Opposition Leader's statement. Wearied though he evidently was by his Ontario tour and with a nervous energy greatly taxed Mr. Borden succeeded in delivering a clearly-constructed and logical speech.

Dr. Roddick and then Mr. Donald Macmaster, K.C., presided and the other speakers were the local candidates—Messrs. H. B. Ames, Campbell Lane, J. G. H. Bergeron and M. J. Morrison—with Mr. Robert Meighen. Telegrams of congratulation and hope were read from Hon. L. P. Pelletier of Quebec, Senator Wood and Mr. W. H. Thorne of New Brunswick, Mr. A. C. Bell of Nova Scotia, Sir C. H. Tupper of British Columbia, Hon. R. P. Roblin of Manitoba, Mr. F. W. G. Haultain of the Territories and Mr. E. F. Clarke of Toronto. After a reference to his four

weeks of campaigning in Ontario when he had addressed 24 meetings Mr. Borden dealt with the alleged sectional cries of Liberals in the past and with the extravagance of their local expenditures in the present—which would run the Estimates for the current fiscal year up to $78,000,000. He denounced the corrupt "machine" work of the party in Ontario. The tariff was discussed at length including charges against the Government party of advocating lower duties in the West and protection in the East. Liberal fiscal policy he defined as follows:

> It is to give the least possible protection, consistent with the continued struggle for existence, to Canadian industries, and at the same time to ensure enormous importations of goods which we might just as well manufacture in this country. In this way they give a minimum of protection and obtain a maximum of revenue, and they point throughout the length and breadth of this country to the enormous trade of Canada.

As for his own policy he described it as an "adequate protection" which would "at all times secure the Canadian market to Canadians in respect to all Canadian enterprises." He appealed to labourers and manufacturers alike to support him in this advocacy. An elaborate treatment of the Railway issue followed. No reference was made to the Chamberlain proposals or the Dundonald issue by Mr. Borden at either this or the succeeding meeting in Montreal although Messrs. Ames and Meighen proclaimed their support of the former policy when speaking at Windsor Hall. On the following afternoon and early evening a parade of some 2,000 Conservatives in carriages, with 1,500 students following, passed through the city bearing transparencies and various political emblems, national flags, etc.* Later on there were fireworks and illuminations and a crowded meeting at Le Monument National. The Hon. L. O. Taillon occupied the chair. Mr. Borden began his speech in French by referring to the union of Lafontaine and Baldwin as the foundation of the Liberal-Conservative party. Macdonald and Cartier had been their legitimate heirs and successors. And then he continued as follows: "Let me tell you, Ladies and Gentlemen, that I feel myself above the prejudices of race and religious beliefs. We are all Christians, we are all brothers, we adore the same God, we are all of the same Canadian family. We all live under the same flag, we all enjoy the same rights and the same privileges. You may, therefore, rest assured that if, as all the circumstances indicate, I am soon called to form a Government, you will have therein your broad and legitimate share of influence." Speaking in English he highly complimented Mr. F. D. Monk—who, with Mr. Tarte, occupied a seat on the platform; criticised the Government for breaking their pledges to the people; demanded a better election law and purity in politics; reiterated his advocacy of more adequate tariff protec-

* NOTE—Montreal *Star* account.

tion; dealt briefly with the Railway issue; and concluded with an appeal to French and English Canadians to work together:

> Let us put all these little matters on one side and stand as Canadians first and as Canadians all the time no matter what our religion may be; Canadians no matter what our race or religion; Canadians inspired with a desire to live in accord with each other, and inspired with every feeling of hope and confidence in the future of this great country of ours. We have the northern half of this great western world. We have a country of which we are all proud, and there is room for all of us in Canada to do our utmost to make the country progress; and the great race which is so well represented in the Province of Quebec can work, and will work, in harmony with the English-speaking people to give Canada that development and prosperity which will place her among the ruling nations of the earth and well in the forefront of civilization among all nations.

On Oct. 17th Quebec City gave Mr. Borden another demonstration marked by crowded streets, a torchlight procession and a mass-meeting which the Opposition Leader addressed in both French and English. There was nothing in the speech distinctive from that given at Montreal except a slight reference to the desirability of a British preference in return for that granted by Canada. It would be better than Reciprocity with the United States, said Mr. Borden. Messrs. T. Chapais, Chase-Casgrain, and L. P. Pelletier also spoke. From this Province the Opposition Leader passed into New Brunswick where he addressed meetings at Woodstock on Oct. 20th and Fredericton on the following day. In Nova Scotia he spoke at Truro on the 25th, at Halifax on the 27th, at Dartmouth on the 29th, at Sydney on the 31st, and at Springhill on Nov. 1st. His welcomes at Fredericton and Halifax were political demonstrations of considerable significance and the Cape Breton steel capital indicated a victorious enthusiasm which did not apparently hold out until election day.

The Prime Minister in His Native Province

Sir Wilfrid Laurier had, meanwhile, returned from his Ontario tour to receive a really great demonstration of popularity in Montreal and elsewhere in Quebec. On the evening of Oct. 24th he arrived in Montreal and was carried in what the *Herald* termed a "triumphal procession" through crowded streets, to the strain of music from many bands, amidst cheering onlookers lining the route, and the flashing of fireworks and light of occasional illuminations. At Le Monument National, and at Sohmer Park, brief speeches were made. In the former address Sir Wilfrid referred to the demonstrations which had greeted him in Ontario and to his great hopes for success in the contest. He dealt with the nation-building which had been going on since 1896 and said that it was based upon the deep-rooted changes carried out by his Government. The Preferential tariff was eulogized and analysed as to its effects and influence. In England, in 1897, he had compelled the abrogation of the German-Belgian Treaties. The choice had been given of abrogation on the one side or aboli-

tion of the Preference on the other. "Either England must advance or Canada must recede" had been his words. He claimed that amongst the Conservatives Messrs. Monk and Bergeron, in Quebec, were opposed to the Preferential tariff while the Ontario leaders were in favour of it.

The Premier left Montreal on the following day and addressed a mass-meeting at Farnham and another at Sherbrooke on the afternoon of the 26th. Valleyfield heard him in the evening. The west end of Montreal was visited on the 27th and two speeches delivered to packed audiences. At Windsor Hall on the following day Sir Wilfrid addressed a crowded and enthusiastic gathering in English with Mr. Edward Holton, K.C., in the chair. In opening the Premier declared that during his eight years of power there had been no breath of scandal in the record of his Administration. Their success and the country's prosperity were not due to luck but to work and good policy. There was nothing really new in the address which followed though it was received with enthusiasm despite evidences of personal weariness which could not be concealed. One reference may be quoted here: "Some of the Canadian papers say that the birth of Canada as a nation is a mere boast. Even though that should be so, everybody knows this country occupies a place in the Empire which it could not aspire to eight years ago. Every citizen of Canada to-day knows that the name of his country during the last eight years has travelled far and wide and, whether opposed to the British preference or not, he must be prouder of calling himself a Canadian citizen than he was in 1896." Sir Wilfrid Laurier also spoke at Three Rivers to a great audience on the 29th.

The Manifesto of the Opposition Leader

No special appeal or manifesto was issued by the Prime Minister during the Elections but on Oct. 24th Mr. R. L. Borden addressed "the People of Canada" in a document which referred, in the first place, to his having visited every Province and Territory of the Dominion since becoming Leader of the Opposition—with the exception of the Yukon—and then described his party policy as "clear, defined, and consistent, the same in every quarter, alike to every class." In his opinion the subject of most immediate concern was that of transportation. The enormous obligations involved in the Government's project, the certainty that its adoption would defer for a century the public ownership of railways, and the vital importance of controlling our own traffic and commerce, made this question "the most momentous and far-reaching that has ever been submitted to the electorate of Canada." He and his party did not deprecate needful and useful expenditure upon transportation interests but they did insist that "what the people pay for they should own and control." Increased facilities should be given but with them should go assurances of efficient service and reasonable rates.

In the present project "the important and immediately pro-

fitable Western Division is to be owned and the whole is to be absolutely controlled by a corporation interested in diverting our trade away from our own ports." This policy could still be changed if the people so decided by returning him to power. Non-partisan management of the Intercolonial was promised and a thorough equipment of national ports and the development, with extension, of Canadian canals and waterways. In fiscal matters the principles of Sir John Macdonald would remain the guiding star of the party—a stable, practical, business policy of protection adjusted to suit changing conditions and to benefit the labourer and the capitalist alike while ensuring increased home production. "We believe that any extension of our markets by means of reciprocal trade arrangements should be sought among those within the Empire who are our chief customers, rather than in foreign countries. A preference for our products in British markets would lead to an immediate and enormous development of our resources. Such a preference the Conservative party will endeavour to obtain on favourable terms." Appointments to office under his administration would place personal character and capacity above considerations of party service and efficient means would also be devised against corrupt practices at elections. He concluded with an expression of his abiding faith in the justice and wisdom of Conservative policy and added a supplementary letter warning subscribers to the party funds that such aid would constitute no claim for special consideration to any particular interest, or personal object, should the Opposition be returned to power.

Mr. A. B. Aylesworth in the Durham Contest

Passing from the tours and speeches of the party chiefs it will be natural to consider next the two personal contests which attracted most attention from the electorate at large—Mr. Aylesworth in Durham and Hon. Mr. Foster in Toronto. Ever since the former's return from London in 1903, with a sudden and surprising reputation in public affairs won by his part in the Alaskan Boundary Award, there had been persistent rumours connecting the name of the eminent Toronto lawyer with a Cabinet position at Ottawa. In August, 1904, they came to a head and it was positively asserted that Mr. Aylesworth was to take the Hon. Mr. Fitzpatrick's place as Minister of Justice. This was as positively denied, but on Oct. 4th, and shortly after the Dissolution, the *Globe* stated and Mr. Aylesworth admitted that he was to enter the Cabinet without Portfolio, and to take an active part in the campaign. Two days later, a meeting of local Liberals was held in Bowmanville and, at the suggestion of Mr. Robert Beith, M.P., it was decided to offer the nomination in Durham to Mr. Aylesworth. On Oct. 10th the party Convention was held and the nomination unanimously tendered to the new candidate who, in addressing the gathering, declared that he had grown up on a farm, that it was the merest accident that he had become a lawyer, and that he had been an ardent politician since he was a

child, when his grandfather had instilled into him the principles of the Reform party. These personal particulars were of interest because he had never before taken any active part in politics.

The public questions of the day were then dealt with at length. A series of meetings followed throughout the constituency and his opponent, Lieut.-Col. H. A. Ward, the late Conservative member for East Durham—now incorporated with the West Durham which Mr. Beith had represented—was equally active in organization and work. On the 12th Mr. Aylesworth issued an Address to the Electors in which he expressed regret at Mr. Beith's poor health and his pride in standing for a riding which had once been represented by men like Edward Blake and E. B. Wood; eulogized the Prime Minister as a statesman who had done more toward making Canada a nation than any living man and against whose name no slander or scandal could be laid; expressed approval of the tariff arrangements by which taxation had been reduced and many staple commodities freed from duty while adequate protection for industries was still maintained; declared the outlet of the Trent Valley Canal to be a matter of "special and immediate importance," which could not be settled without a survey of comparative routes which he would expect to obtain if elected; approved the Grand Trunk Pacific project, the administration of the Post Office and the Preferential tariff:

> A substantial preference has been given to Great Britain. We have by practical legislation shown ourselves to be an integral portion of the Empire, free and independent, able to assume our full share of its responsibilities and at the same time properly preferring to make our purchases and to find our markets among people of our own nation and race. The result has demonstrated that, while in the last few years our British imports have doubled, our exports have also largely increased.

The campaign which followed aroused wide-spread interest not only because Mr. Aylesworth was eminent in law and widely known in connection with the unfortunate Alaskan affair but because he was new to politics, and was fighting in a doubtful constituency as a new or prospective member of the Government.* An interesting incident of the contest was the appearanc of Mr. R. R. Gamey, M.L.A., who addressed a crowded meeting in Bowmanville on Oct. 13th and claimed the right to bring Mr. Aylesworth into his denunciations of the Ontario Government because of the former's legal connection with certain details of the famous case. Colonel Ward also took occasion to denounce his Liberal candidate's alleged use of the Trent Valley Canal outlet as a bribe to the constituency and declared that the voters in Trenton, Cobourg and Belleville, as well as Port Hope, were being fooled with promises in this connection.

On the following evening Mr. Aylesworth spoke at Port

* NOTE—Up to the end of the year Mr. Aylesworth had never actually been sworn in, and was not, therefore, entitled to the prefix "Honourable" which practically the entire press of the country gave him.

Hope with much eloquence and force* and was followed by Sir William Mulock. He described Sir Wilfrid Laurier as "the embodiment of affectionate loyalty to British institutions" and his policy as of "a truly Imperialistic character." He declared himself opposed to a higher tariff as unnecessary; proclaimed the present local contest as one not of men but of measures and policies; and dealt at length with the Canal question. Whether its outlet was to be by way of Port Hope, within the constituency, or through some place outside of Durham, was the political and local problem of the hour. Surveys were now in progress and Mr. Aylesworth stated that he had written the Premier about the matter. He read a letter from him of which the following is an extract: "If the details of the respective surveys and reports fall short of what is necessary or advisable, the Government will be glad to supplement them in any manner that you recommend in order to have both the Government and the country in full possession of all information touching the relative merits of the various routes, before a selection is made." Upon the following evening the Liberal candidate spoke at the great demonstration to Sir Wilfrid Laurier in Toronto. His address made a deep impression upon his hearers as that of an apparently coming man in public life who would uphold its best traditions and prove an important influence in the councils of the country. As at Port Hope the most striking part of his speech was in the references to British connection and Empire interests. It was certainly most interesting in view of the events of a year before. An extract may be given here:

I am happy to think that there has always existed among the people of Canada one subject upon which there is unanimity, one subject in regard to which, whatever differences may exist among us, there is never any room for any difference at all, and that is the advisability of our maintaining at all hazards, at all costs, and to all extremes, our connection with the British Empire. I have no quarrel with our neighbours, who prefer the republican form of government, but upon principle, as well as upon the dictates of experience, and in the light of history, I am firmly of opinion that no system of government upon the face of the globe can be found equal to that which obtains among the British people, and no liberty equal to that which we, a free and independent nation, enjoy to-day under the broad folds of the British flag. Upon that subject there is no room for discussion among us. Upon that subject all men, be they Conservatives or be they Liberals, are in a position to unite.

A less attractive phase of the contest was the use made of the Trent Valley Canal. On Oct. 20th the Prime Minister wrote Mr. Aylesworth a letter as follows: "With reference to the surveys which are to be made to Port Hope and Trenton to ascertain whether or not a canal can be built from Rice Lake to Lake Ontario, it is well understood and there can be no ambiguity, that the depth of such a canal shall be at least eight feet four inches on the lock-sills." Whatever this may have been intended to mean it

* NOTE—For a *verbatim* report see *The News*, Toronto, Oct. 14th, 1904.

was taken by the Liberal workers and speakers as an indication that if their candidate was elected the Canal would come to Port Hope and the Port Hope *Guide* soon contained a standing advertisement headed "Aylesworth and the Canal" and stating in large type that "the Government grants all Port Hope's demands." The Opposition attacks in this matter were bitter and the *Mail and Empire* went still further along the lines of Mr. Gamey's speech by demanding the defeat of "the Stratton candidate" in Durham. An important meeting in Mr. Aylesworth's interest was held at Bowmanville on Oct. 28th and was addressed by himself and the Hon. Mr. Paterson. A timely reference was made by the former to the recent Russian outrage upon British fishermen and to possibilities in connection with the Grand Trunk Pacific:

> If such things as that may be, what warrant have we that within another week, it may be, Great Britain and Great Britain's people and the people of this country may find themselves with a great war upon their hands? And if there is a time of war, if it becomes a necessity that British troops should reach the scene of hostilities at the earliest moment practicable, what would Great Britain not give, what would we not give, if we had already constructed a line of railway, the shortest across the continent, on which to bring the troops of Great Britain to the scene of the war at the shortest possible notice?

Meanwhile, an unpleasant personal incident had occurred in an anonymous charge that Mr. Aylesworth was an Atheist. Though most slanderous and untrue a statement of this kind will always create bad feeling and pain to the person concerned. Only one reference was made to it by the candidate and that a most impressive and simply-worded denial at Bowmanville on Oct. 17th. The matter is only mentioned here as illustrating what candidates often have to face in either political parties. His final meeting was at Port Hope on Nov. 1st and here Mr. Aylesworth took occasion to deny the Canal bribery stories. To do the best he could for his constituency in such a case, or to promise to do it if elected, was not, he maintained, bribery. It was simply his duty. This matter had, meantime, been the subject of most adverse criticism by independent papers like the *News* of Toronto —which had been urging the election of Mr. Aylesworth as an able and distinguished Liberal and that of Mr. Foster in Toronto as a similarly eminent Conservative who would do good service to the country. It may be safely said, however, that despite this circumstance there were many on both sides of politics who regretted Mr. Aylesworth's defeat on Nov. 3rd following and joined in the hope that he would accept another seat in the House.

The Candidature of Mr. Foster in North Toronto

The Hon. George E. Foster could hardly help being a prominent figure in any electoral contest he might share in. His somewhat dramatic defeat by the Hon. Mr. Blair at St. John in 1900 and his unsuccessful effort to capture North Ontario in a 1903 bye-election; his continuous prominence as an advocate of

Wheat Elevators at Deloraine, Manitoba.

Mr. Chamberlain's fiscal policy; and his wide popularity as a most eloquent speaker upon public affairs; had kept him well before the people despite his temporary absence from Parliament. Early in September it was stated that Mayor Urquhart of Toronto would be the Liberal candidate in North Toronto and on Oct. 7th he was nominated by the party Convention. In his speech he described the local benefits derived from Liberal rule at Ottawa as including the sale of the Garrison Common to the City at a nominal figure; the re-modelling of the Post Office, the erection of a branch postal station, and a large grant for a new central postal station with pneumatic tubes for mail delivery; the providing of money to extend the breakwater at the Island; the improvement of the Armouries and Customs buildings; the assurance of the construction of the Yonge Street Bridge at the expense of the railways.

The Hon. Mr. Foster had been nominated on the preceding evening as the Conservative candidate. Speaking on Oct. 11th Mr. Foster attacked the Government with characteristic vigour. He dealt at length with their alleged broken pledges and described them as providing 56 Liberal members of Parliament, since 1896, with public positions at a combined salary of $200,000 a year and a capitalization of $5,000,000. This, after strong preceding denunciation of such practices at the hands of a Conservative Government! No body of men in the history of Canada had so renounced their ideals as avowed when in Opposition. He spoke of Liberal corruption in such Federal constituencies as Brockville, West Huron, Montreal, Brandon and St. John. But his great speech in the campaign* was that of Oct. 15th. He commenced by briefly describing his political career since 1882; challenged Mayor Urquhart to meet him in public debate at any time or place; denounced the inconsistencies of the Prime Minister and dealt at length with his claim to have brought Canada into a national position and prominence. He declared that when the Laurier Government came into power in 1896 they had found a united Dominion stretching from Halifax to Vancouver; a great transportation system of canals and railways completed and including the Canadian Pacific Railway, with new lines such as the Canadian Northern and many others, reaching out for greater development; an Experimental Farm and agricultural encouragement system in full operation under the care of Dr. Robertson and Dr. Saunders; an established industrial system and a fully formed Canadian sentiment.

Upon this structure Sir W. Laurier may have built something, aided by good times and luck, but nothing in comparison to what might have been done by a consistent policy of fiscal protection and continuous administration along the lines already laid down. Mr. Foster denounced the Grand Trunk Pacific project at great length,

* NOTE—For *verbatim* report see *Mail and Empire* of Oct. 17th.

describing it in conclusion, as a "baseless, insane, and utterly unnecessary and wasteful proposition." At other meetings he took up the various phases of the Government's policy and performance and of the Opposition's promises and hopes. Speaking on Oct. 26th he gave an interesting reminiscence of his own early career—"of how he left the farm a boy of 15 without ten cents in his pocket; how he obtained a teacher's certificate and worked himself first through college and then the University; later on, paying his own way, he went to Europe to continue his studies; and how, upon his return, he was honoured by the University with the post of Professor, which he filled for eight years. Then came his entry into political life, in which his career was before them." Mr. Urquhart was freely denounced at this and other meetings for not maintaining his well-known views in favour of Government ownership of public utilities and for supporting a Government which refused to apply that principle to the railways of the country.

On Oct. 27th Mr. Foster denounced the Government as one that "did things" in a most corrupt way. The Premier, he declared, had asked for Mr. Marcil's re-election in Bonaventure because the latter had obtained, since 1896, 32 appropriations for the County, amounting to $609,438 altogether. At the succeeding night's meeting Mr. Foster made a reference to the Dundonald affair which created severe criticism. According to the *Globe* he said: "Where were the Bordens and the Fishers when Lord Dundonald rode into Ladysmith?" The Liberal organ's reply was instant and cutting. "There are circumstances that ought to check even his bitter tongue. It ill becomes him or any of those who applauded his cold-blooded sneer to talk loftily about the loyalty, or the patriotism, or the personal sacrifices of the Minister whose only son went out to his death in the South African War. The grave of Lieut. Borden on the veldt is the answer to Mr. Foster's sneer." On the day of the election Mr. Foster issued an Address which was both clear and convincing from his point of view. After reference to the local issues of the campaign and to certain personal elements in the private canvass of his opponents which he deeply deprecated, he declared himself to stand for the following policy:

1. For the honourable fulfilment of all pledges given to the electors by a public man.
2. For the indispensable qualifications of ability and character in appointments to all public offices in the gift of the Crown.
3. For an audit on behalf of the people, with adequate powers to an Auditor-General, free from all improper Government pressure. Hands off the Auditor-General!
4. For the complete elimination of political favours and degrading party patronage in the management of the Militia of Canada. Hands off the Militia!
5. For the strengthening of the growing industries of Canada by an adequate protection of our capital and of our labour against foreign manufacturers, so that the farmers of Canada shall retain their home market and the artisans of Canada shall have the privileges of manu-

facturing our own and imported raw material into the finished product for the supply of Canadians. Hands off the National Policy!

6. For mutual preferential trade relations throughout the Empire so that the members of the great family of nations under British rule may treat each other on better terms than they treat alien or hostile countries.

7. For the further extension of the Intercolonial Railway to the West, for Government ownership and operation of a national system of railway between the Atlantic and Pacific oceans and for Canadian harbours; so that there shall be one great central trunk line from ocean to ocean owned by the people, run by the people, and in the interest of the people (with no watered stock to be tolled for freights against eastern and western producers, for dividends to railway magnates) and upon which tolls and rates shall be charged to pay operating expenses and interest upon capital invested, and no more, and thus give to Canadians forever a Government railway which will regulate all traffic between the east and the west for all time to come.

8. For the honest, economical and non-partisan management of the Government railway through and through, in place of a partisan and patronage system which always has been and always will be a vicious, dangerous and extravagant system.

Meanwhile, Mayor Urquhart was fighting hard and with many possibilities of success. He claimed in various speeches that he had always been and was now strongly in favour of municipal ownership of public utilities, but that the owning and operating of a great railway was another question and one for separate consideration. He said much as to what the Liberal Government had done and could do for the city and on one occasion read a telegram from the Premier which was supposed to be a promise for immediate construction by the railways of the Yonge St. Bridge. Speaking on Oct. 20th he stated that the order of the Privy Council to this end was now on his desk. Three days later he dealt, as follows, with the Dundonald incident: "I believe that if there is going to be a conflict between civil and military power the civil power must rule. And any man, I care not who he is, who tries to force a standing army on this country, and an expenditure for military purposes of millions of money needed for the development of the country, should be dismissed from office. The Dundonald incident is a dead incident. I wish to see the resources of our great West developed, and money spent to further its development and not in building up a military power." The campaign was conducted with energy and some personal bitterness and up to election day, despite a nominal Conservative majority in the riding, it was hard to anticipate the result. Mr. Foster's election, however, indicated the permanent character of Toronto's Toryism, while it was an unquestionable popular tribute to his great capacity and reputation.

The Grand Trunk Pacific and the Campaign

There can be no doubt as to what the central issue of the campaign was. The Grand Trunk Pacific not only bulked larger but unquestionably influenced more votes than any other matter. Whether Mr. Borden's alternative scheme and proposals for Government ownership, construction and operation

succeeded in holding votes which might otherwise have been lost to his party, or whether quiet disapproval of a sudden, serious and experimental policy in the minds of many Conservatives had a weakening effect upon the Opposition ranks, can only be a subject of speculation. Probably both claims could be made good in different parts of the country. It was a difficult position for the party Leader to meet and there can be little doubt that the evidence of constructive skill afforded by his proposals and of incisive criticism shown in his analysis of the Government's project aided in developing Mr. Borden's personal reputation and, indirectly, in helping his party. During the progress of the contest various allegations were made upon either side which will hardly bear the search-light of history but the leading statements by party speakers will be valuable in reviewing the discussion. At his meetings Sir Wilfrid Laurier took strong ground against the Government operation of railways—not against Government ownership or construction. In this connection he quoted Sir J. Macdonald, Sir C. Tupper and other Conservative leaders. At Toronto, on Oct. 14th, after denouncing Mr. Borden's policy as nothing less than the "Populism" of the Western States and a complete departure from his party's old-time principles, he went on to say:

> Governments can build railways—I have no fault to find with that—but Governments cannot operate railways. The reason is very obvious. Railways have been compelled to carry passengers and to carry freight, but it is an act of commerce, and I say to you, my fellow-countrymen, that Governments never were intended to go into business as men engage in commerce. It is not part of the responsibility of government to do anything of the kind. I am prepared to discuss whether or not telephones or telegraphs should not be administered by the Post Office. The Post Office Department disseminates written intelligence, and there would be some reason why they should disseminate verbal intelligence? Railways are not the same thing. Compare the management of a railway by Government with private enterprise.

Throughout the West the claim of the Liberal press and speakers was that if Mr. Borden were returned to power the prompt construction of the new road was most improbable; even if there was any certainty of it being built at all. Much capital was made of this and there is no doubt that it had a marked effect on the result despite Conservative contradictions. What Mr. Borden's policy was may be gathered from a despatch to Sir Charles Hibbert Tupper at Vancouver, dated from Toronto on Oct. 10th, and worded as follows:

> We will immediately undertake the construction of a trans-continental railway to the Pacific as a Government work. To this end we shall vitalize all the powers of Government and the financial strength of the Dominion. For obvious reasons the utmost expedition will be employed; in the first place, to satisfy without delay the needs of our great West, in the second place to curtail cost in the important matter of interest upon outlay during construction. To ensure early completion every section of the railway will be undertaken as rapidly as, with all the resources of Government, surveys

can be made and contracts entered into. Wherever it may be to the public interest we shall not hesitate to exercise for the acquisition of existing railways the same powers of compulsory purchase which are possessed and exercised by railway corporations for acquiring the property of individuals. We shall supplement our railway policy by such improvement of our canals and railways, and of our harbours, as will bring all up to the highest standard of the day and to the full needs of the country. We fully realize that the people, confident of the future of this Dominion, do not fear any reasonable expenditure of money, wisely made, which may tend to the development of our country and to the greater prosperity of its inhabitants. We also propose to put an end to the scandalous waste and extravagance which are incident to the present administration of Government Railways, believing, as we do, that their honest management under a Commission would make these railways at least self-sustaining, and would afford better accommodation to commerce and more equitable conditions in every respect than now exist.

At Peterborough, on Oct. 30th. the Hon. George A. Cox defended himself against the statements constantly made, and repeated, as to his initiation of the Government's Railway scheme, his great financial interests in it, and his personal and political influence over the Government in connection with its progress. "This plan is one worthy of the great mind of Sir Wilfrid Laurier. It had been said that the scheme was one engineered by himself (Mr. Cox) and Mr. Hays, and the Grand Trunk Pacific was called the Cox-Hays Company. He only wished that he had the ability to conceive such a scheme. His connection with the Grand Trunk Pacific was the same as his connection with any of the other Companies with which he was associated as a Director. He did not expect, nor would he accept, one dishonest dollar from the Grand Trunk Pacific or from any other source." The point raised very frequently in British Columbia as to when construction would begin in that Province, under the Government and Grand Trunk scheme, was dealt with on Oct. 20th by the reading of a letter written to Senator Templeman, on July 12th preceding, by Mr. C. M. Hays from which the following may be quoted: "I may say, however, that it will be the policy of the Company to diligently prosecute to completion the surveys which have been in operation for over a year and, so soon as the progress of the surveys in British Columbia will permit, construction will be commenced from the Pacific Coast end of the road, and be carried on continuously in an easterly direction until the road is completed. In fact, such action will be necessary to complete the road within the time limit." Meanwhile, public opinion generally was being influenced by the visit of the Railway Construction Commission headed by Mr. F. B. Wade, K.C., to Quebec, the Atlantic Provinces and, finally, to the West.

It was in this latter part of the Dominion that the question of the Government plan of construction *versus* Mr. Borden's scheme of Government ownership and operation by a Commission was most keenly debated. From the first of the year changes of party allegiance were announced at intervals. The most important was

perhaps that of Mr. J. H. Haslam, Conservative candidate in Selkirk, Manitoba, during the elections of 1900 who, on Apr. 28th, issued a sort of manifesto declaring at considerable length his intention of supporting the Laurier Government and his reasons for believing the Grand Trunk Pacific to be a great and far-reaching project with as important a work ahead of it for Canada as ever the Canadian Pacific Railway had faced. Another change, and for a similar reason, was that of Mr. H. A. Mullins, announced in a letter to the Liberal candidate in Marquette. Meantime, the Manitoba *Free Press* was continually quoting the Conservative leaders of the past as opposed to Government ownership and operation and of the present leaders as opposing the Railway project in Parliament and elsewhere during the early stages of its discussion—notably Mr. Borden, Sir Mackenzie Bowell, the Hon. J. G. Haggart, Dr. Sproule, Senator W. J. Macdonald and Mr. A. C. Bell.

This alleged opposition of the Conservatives to the road as unnecessary, coupled with severe criticism of the Government operation of railway plan; declarations of the obvious necessity for more competition and increased transportation facilities in the West; and expressions of doubt as to whether Mr. Borden would carry out the project at all; constituted, in the main, the Liberal platform in the Western Provinces. Speaking at Winnipeg, on Sept. 27th, Mr. D. W. Bole, the Liberal candidate, proclaimed the Grand Trunk Pacific project as "the issue upon which the present Government must stand or fall." Amongst the reasons given by the *Free Press* (in large black-faced type) for popular support of Mr. Bole was the further statement that the construction of the Railway would "increase the value of farm lands, stiffen property values in Winnipeg, promote activity in real estate generally and add thousands to the City's population." Then came the query: "Do you want this Contract torn up?" A strong argument against Mr. Borden's scheme was adduced by the same paper on Oct. 22nd. If, it claimed, the Railway were built as a Government line it would not be in position to compete with the Canadian Pacific Railway. "Without branches or feeders on land, without dependent shipping that would connect it with Europe and Asia, without such hotels as the C.P.R. Company builds and maintains excellently, without agents all over the world, the Railway would be nothing more than a trunk line parallel to the Canadian Pacific Railway and quite incapable of competing with it." If, on the other hand, it were supplied with these elements of success it would be a grossly unfair attitude for the people of Canada to take towards private railway enterprises previously encouraged by the country—a position of the nation *versus* private capital invested in such undertakings as the C.P.R. Admitting these premises the only logical policy for Mr. Borden would be the wholesale expropriation or purchase of Canadian railways, fleets, hotels and everything pertaining to the great

existing systems; and this, it was pointed out, would mean enormous debts and the serious injury of Canadian credit.

A subsidiary argument in the Winnipeg contest was the quotation of speeches delivered in 1903 by Mr. Sanford Evans, the Conservative candidate, urging caution in the building of the Railway, deprecating competition with the Intercolonial, demanding careful exploration of the country first, opposing a trunk line across the James Bay basin, supporting gradual construction and utilization of water stretches and of existing railway lines around Lake Superior. On Nov. 2nd Mr. Bole issued an Address to the Electors declaring that " the policy of the Government with respect to the Grand Trunk Pacific, will, if endorsed by the people, make Winnipeg the great commercial centre of Canada. The plans for immediate construction are complete. The Commissioners entrusted with the task of building the road east of Winnipeg are now in the City, preparing for the work. Do you want the great trans-continental highway now, or do you prefer its construction deferred until new plans, new legislation, and new surveys are made?" After quoting Conservative leaders against Government operation of railways and Conservative papers such as the Montreal *Gazette,* he proceeded to declare that the new Railway would develop Western resources, give larger markets for labour, new markets for Winnipeg business men, new opportunities for railway men and young men, generally, and would involve the local expenditure of many millions of money.

At the same time the *Free Press* published the opinions of many local real-estate men declaring that any serious change in the present project, or cancellation of the Contract, would injure property and investments and put back the City five years in time and progress. In Brandon, meantime, a hot contest was being fought between the Hon. Clifford Sifton, Minister of the Interior, and Mr. R. L. Richardson of the Winnipeg *Tribune,* who had once been a Liberal, then an Independent, and was now standing vigorously upon Mr. Borden's platform. The fight was along lines very similar to that in Winnipeg and Mr. Sifton certainly did not hide his colours. Speaking on Oct. 28th he said: " Mr. Richardson can't convince me on the question of Government operation and ownership of railways. My conviction is based on a study of conditions as they exist in Canada to-day. I will not form opinions to please any one. I may be out of sympathy with some of you, but I decline to trim my sails to suit every passing breeze. Again I would earnestly assure you that if you would favour the Government operation of the proposed national highway then don't vote for me."

As against this clever Liberal campaign the Opposition would have had only a negative to offer if Mr. Borden had not given them an alternative policy and herein, no doubt, an advantage was gained by his plan of Government ownership and operation. Early in the year twenty-one gentlemen in Winnipeg, whom the

Telegram described as prominent Liberals, signed a document favouring Government ownership of the Trans-continental Railway and Government operation through an independent Commission. Later on, when the Elections became the question of the hour, the same paper maintained in large type the declaration that Conservative policy in this matter meant prompt construction and the reaching of Edmonton in four years or less; the employment of Canadian engineers, contractors and workmen; low railway rates, ample car supply and quick delivery of products; increased incomes for the settler, and fair wages, fair hours and fair treatment of employees; a substantial victory over corporation influence and power. It was also claimed that the Grand Trunk Pacific would buy the Canadian Northern instead of building to Edmonton. Under Government ownership many benefits were to be expected:

1. Ownership of an immensely valuable property.
2. A saving to the country of the Dominion subsidy of $15,000,000, the stock subsidy of $25,000,000, the estimated damage to the Intercolonial Railway, and the additional $20,000,000 of over-capitalization simply by guaranteeing bonds for one-tenth more than the total cost of construction.
3. The road would be laid out, built and managed solely for the interests of the people.
4. The best possible facilities and lowest rates for the farmer would promote popular comfort and increased immigration and augment local markets.
5. Interprovincial trade and Canadian waterways and ports would be built up instead of being antagonized or retarded.
6. Real competition would be afforded without the danger of future combinations.
7. No discrimination in rates would be possible.
8. Management by a non-partisan Commission would remove the great corrupting influence over politics and Governments of a powerful union of corporations such as the Grand Trunk and the Grand Trunk Pacific and would eliminate the danger now arising from possible campaign funds given to promote their special interests.

Speaking at Winnipeg, on Oct. 20th, Mr. Sanford Evans claimed that the Liberals could not proceed with construction any faster than the Conservatives. Another Session would have to be held and the money voted and one party could do this as quickly as the other. "Mr. Borden's proposal was to expropriate what had been done, to take possession of what had been done in the way of surveys, or any other way, and to push everything through to completion, and he declares his Government will take more prompt steps to begin work on the road than any that have been taken by the Liberal Government up to this time." It was also urged in the local Conservative press that Government ownership would involve quicker construction because of more ample funds, ability to commence and to work from any point or points, freedom from the persistent schemes of contractors and of efforts to obtain Provincial and Municipal moneys. Writing to the *Telegram*—of which the Conservative candidate in Winnipeg was Editor-in-

Chief—Mr. T. D. Robinson, on Oct. 24th, dealt with the matter from the farmers' standpoint and from that, personally, of a former Liberal:

> A Government-owned and operated road, such as R. L. Borden has pledged his party to, would have only operating expenses, and the lowest rate of interest on its actual cost, to pay, and it would well afford to reduce the present rates at least one-third. Not having watered stock to provide for, it could afford to provide abundant equipment, so that a postcard from a farmer would secure the placing of a car where he wanted to load it, and all our transportation would be done with the same promptness and civility that our teaming is now done, which transportation simply is. Seeing the people have to furnish the money and credit to build the railways in either case, and also the business to make them profitable, they certainly should own, operate, and get all the profit out of them, and at the same time destroy the greatest enemy to our Commonwealth.

Meanwhile, Mr. R. L. Richardson conducted his fight in Brandon with the greatest vigour, besides speaking elsewhere in the West. He dealt at length, and frequently, with the success of Government ownership in Australia and other countries and in this connection the Hon. J. W. Taverner of Melbourne, a prominent Australian politician, told the Winnipeg *Telegram* on Oct. 10th that "the progress of the Commonwealth is due to a great extent to the fact that the railways are all state-owned. This has proved a boon in the past and its benefits become more and more apparent each year. I know of no country in the world where travelling by rail is so cheap. The country being a new one, this has done a lot of good and I am sure would do the same in Canada."

In the rest of the country the Elections turned on all kinds of issues, with the Grand Trunk Pacific as one of several important ones. To certain localities it was, of course, the paramount issue in the East as in the West, but the need for the road was much less pronounced in the former case as a whole. Constituencies which had any appreciable assurance of its passing through them, or ports and centres which hoped to benefit through a diversion, or increase, of trade were naturally influenced. St. John would have been won in all probability by this issue if it had not been for the action and position of Mr. Blair. Halifax was, no doubt, greatly affected by it and the Conservative allegations of Grand Trunk diversion of Grand Trunk Pacific traffic to Portland were not apparently very effective. The Halifax *Chronicle* claimed (Nov. 1st) that the influence of Mr. E. B. Osler in the Conservative party indicated that its return to power would involve the handing over of the entire railway project to the Canadian Pacific Railway of which Mr. Osler was a Director. What local effect such a far-fetched story had cannot very well be estimated. Mr. Sifton had made a similar statement at Calgary, on Oct. 21st. To the Halifax *Herald* of the latter date Mr. George S. Campbell, ex-President of

the Board of Trade, contributed a long letter, dealing with the matter of ports, and concluding as follows:

> We are fighting for the carriage of our own products through our own ports. To secure that business shall we trust to a railway corporation whose interests are already identified with a foreign port, and whose chief aim will be to make money for its stockholders, or shall we trust to our own Government, with supreme control of rates, and routes, and ports, and whose only aim will be the building up of the business of the country ?

In Ontario the main lines of attack upon the Government in this regard was the large liability said to be involved in the building of a railway for the use of a corporation which might afterwards apply its power to selfish instead of national ends. The Liberal attack turned mainly upon allegations of Mr. Borden's insincerity regarding Government operation of the road and the description of his policy as uncertain, shifting and very doubtful. There can be little doubt that the proposed railway was popular in Northern Ontario. Speaking to the *Globe* on Oct. 4th Mr. J. M. Clark, K.C., who had recently visited that region and also the Maritime Provinces, declared the Government's policy to be very popular both there and down by the sea. Maritime experience of political influence on the Intercolonial had, he thought, made Government operation of railways unpopular. At the annual meeting of the Canadian Manufacturers' Association, on Sept. 21st, an important reference to the project was made in the Report of the Transportation Committee which, after approving of the Government's Railway Commission policy, added: "The Grand Trunk Pacific Railway is now assured, and the construction of branches and feeders for the existing trunk lines has been resumed after a period of comparative inactivity. These all promise and foreshadow a development of the country which, while it cannot be accurately estimated, must be great."

The Autonomy Question and the Territories

This issue was claimed by the Conservatives to be the chief one in the Territories while the Liberals endeavoured to keep the Railway question to the front. The Conservative Premier of the Territorial Government—a coalition so far as Dominion politics were concerned—who had so long pressed for Provincial rights and self-government at Ottawa now threw himself into the fight against the Laurier Government and made the Autonomy question his own. Speaking at Regina on Sept. 30th Mr. Haultain declared this matter to be of transcendent importance and to dwarf even that of transportation. He concluded with some vigorous words: "Let us fight for these rights with all the energy we can command, and the only way to show the Liberal Government that we are in earnest is to turn them down at the polls on the third of next month. Give them a crushing defeat and we will get the rights we demand." On Oct. 12th, at another meeting in Regina, the Territorial Premier read an important com-

munication from Sir W. Laurier, dated Sept. 30th, and in apparent answer to his letter of June 1st preceding. The Dominion Premier declared that circumstances had justified their delay in dealing with the matter and then proceeded as follows:

> Rapid development has taken place in the North-West Territories during the intervening period and I am inclined to the view that all those who will be called upon to give consideration to the subject will be in a position to deal with it in the near future with the advantage of a fuller and more comprehensive information than could possibly have been available two years ago. You will have learned prior to the receipt of this letter that Parliament has been dissolved. The new House of Commons will contain not four but ten representatives of the North-West Territories who, coming fresh from the people, will be entitled to speak with confidence as to the views and requirements of those whom they represent. Should my Government be sustained we will be prepared immediately after the election to enter upon negotiations for the purpose of arriving at a settlement of the various questions involved in the granting of Provincial Autonomy, with a view to dealing with the question at the next Session of Parliament.

Mr. Haultain criticized this communication as a justification of his own attitude and of Mr. Borden's and as an admission that during the past five years Autonomy had really been a live issue. It was only two years since Mr. Sifton had opposed action as premature and now, on the verge of an election, the Premier at last promised to do something. It did not amount to much. The essence of the whole matter was one of terms and Sir Wilfrid did not even mention them. There had been many unfulfilled promises from the Government and this might very well be another. Mr. Borden, on the other hand, had for years favoured Autonomy and had categorically pledged them the control of the public domain and compensation for alienated Territorial lands. He denounced Mr. Walter Scott's attitude of delay with vigour and asked support for a Federal leader who would deal fully and fairly by them. A week later the Hon. Mr. Sifton and Mr. Scott replied in the same place. The latter charged Mr. Haultain with deliberately making a party weapon of a question which he had urged two years before should be kept high above partisanship; and Mr. Sifton referred to the school question which had been mixed up with that of Autonomy. This was a threatening trouble in more than one direction through the Roman Catholic desire for Separate Schools and it was believed to be the real reason for the delay in granting Autonomy:

> Let me say to you in all seriousness that the subject of School legislation in Canada is a serious and important subject. I have had a good deal to do with it in my own Province and I know the difficulties that beset it. But let me say this. We shall endeavour with every possible thought, with every possible power the Lord has given us, to settle this question in such a way as shall not raise a racial or religious cry in this country. But I want to say that the man who gets up in the heat of a political contest and makes his strongest endeavour to bring that question into political discussion is not a friend of the Territories in any way, sense, or shape.

This meeting was part of an extended tour of the Territories which Mr. Haultain undertook in aid of the Conservative candidates and with a list of places to speak at which included Macleod, Okotoks, Wetaskiwin, Red Deer, Lacombe, Fort Saskatchewan, St. Albert, Edmonton, Strathcona, Calgary, Medicine Hat, Moose Jaw, Moosomin and Wolseley. At Medicine Hat, on Oct. 29th, Mr. Haultain charged Mr. Scott with having inspired the Laurier letter as an election dodge; a statement which was denied with promptitude. At Moose Jaw on the next night the latter got back by charging the Territorial Premier with having asked Sir W. Laurier for a Judgeship through Mr. J. H. Ross, M.P. Mr. Haultain's meetings were well attended and his reception excellent but, in the end, the question whch he made so much of appeared to exercise comparatively little influence. It is probable that Sir W. Laurier's Autonomy promise, coupled with the immediate and practical benefits of the Railway project, had a predominating effect upon the public mind—coupled with the Government influence over the Foreign vote.

The Dundonald Issue in the Elections

How far the Dundonald affair really influenced votes in the contest will always be problematical. A Scotch constituency like Glengarry and a mixed one like Ottawa apparently intimated a negative; the Scotch farmers of Prince Edward Island would seem to have signified an affirmative. The Liberal sweep in Nova Scotia—Sir F. Borden's own Province—and Mr. Fisher's successes in the Eastern Townships indicated a far from influential effect against the Government while the enthusiastic cheers aroused by the mention of Lord Dundonald's name at Conservative meetings throughout the entire Dominion would imply the action of a strong sentimental force—though in effect its distribution may have been more individual than general. Still it was a picturesque sentiment and incident apart from the underlying principles which politicians read into it or extracted from it. Very early in this period Sir Charles Tupper had taken a characteristic attitude in the matter and, before sailing from Liverpool on Aug. 25th, had made the followings remarks to the press:

> In propounding his policy in regard to the Militia, Lord Dundonald knew he would be retired. He did not complain that he had been unjustly treated, but Lord Dundonald had had the courage of his convictions and, in expressing them publicly, had magnanimously sacrificed himself in the interests of Canada and the Empire. Lord Dundonald had achieved his object, that of making the raising of a strong Militia a crucial question in the Dominion. In the views expressed by Lord Dundonald he had carried with him the thinking people of Canada, the bone and sinew of the country, and the effect would be for lasting good to Canada.

This was, in the main, the Conservative attitude in the succeeding elections although the controversy took shifting and diverging lines in the party press. Early in September, by means of a re-

quest from the Militia Department to Commanders of Regiments, the names and addresses of non-commissioned officers and men were obtained and pamphlets containing the Parliamentary speeches of the Minister of Militia and Minister of Agriculture upon the Dundonald issue were forwarded in accordance with these lists. On Sept. 19th, in answer to the *Mail and Empire's* claim that Lord Dundonald was responsible, in part, for the new Militia Act, the Ottawa correspondent of the *Globe* stated most emphatically that the General was not the author of the Act and had not "one single thing to do with framing it." The writer went on to quote the remarks of the late General Officer Commanding as to certain dangers which he detected in the measure in further proof of his non-responsiblity for it. So far as the most important changes in the new Act were concerned they certainly were opposed to the well-known opinions of Lord Dundonald. On Sept. 21st the *Globe* started an aggressive editorial campaign against the late G.O.C. on the ground of alleged changes in the direction of "Militarism" which he had desired to make in the old Militia Act; changes written by his own hand upon the margin of the Act; and which, although a confidential State paper, not asked for by Parliament or presented to that body, was now lithographed and published (in part) throughout the Liberal press of the Dominion. To Lord Dundonald, who was out of the country and whose mouth was closed by considerations of Departmental confidence and British ideas of etiquette—while to his friends these papers were inaccessible—this was a rather difficult matter to meet and it unquestionably had an effect upon public opinion. The charge, as presented in the *Globe* on the date mentioned, was as follows:

> **The amendments in question to all intents and purposes involved the adoption of conscription in Canada—the baneful system which has proved such a curse in Europe, and has driven thousands of the bold peasantry from European countries to seek their homes in a foreign land, where military service would not be obligatory. Lord Dundonald proposed to bestow the name 'Canadian Army' upon the Militia of the Dominion, and in every case where the Militia Act made use of the term 'Militia' his suggestion was that it should be changed to 'Army.' He proposed that the three years' military service fixed for the Act should be compulsory, and that youths between fourteen and eighteen years of age should perform not less than one hundred drills of one hour each. He also suggested the abolition of the present Schools of Instruction, and the creation in their place of a force of 5,000 men. In other words, the aim of Lord Dundonald apparently was to establish in Canada a standing army, and to make military service compulsory.**

The claim made by the Department was that this Militia Act, in which the General Officer Commanding had submitted at the Minister's request certain proposed changes, was not the Act finally prepared by Sir F. Borden and accepted by Parliament. In his letter of Feb. 13th, 1903, the Minister asked Lord Dundonald to indicate any changes or new clauses, any "additions, alterations and omissions," which he might desire in the old Act. In

accordance with this request the G.O.C. wrote certain suggestions on the margin as already indicated. The words "Canadian Army" were to be substituted for "Militia"; a clause was added which provided for drilling the male youth of Canada between the ages of 14 and 18; the new Force was to be divided into corps "raised by voluntary enlistment or by ballot, or partly by voluntary enlistment and partly by ballot"; the phrase "active militiaman" was changed to that of "soldier"; the Permanent Corps was to be expanded into a body of 5,000 men raised for "continuous service"; the Major-General in Command was to be "charged with the military command, discipline and military administration and organization of the Army"; the period of "compulsory" service in time of peace was to be three years. These private suggestions to his Chief were turned into a somewhat heavy indictment against Lord Dundonald. To those who were unaware of the frequent references in the public speeches of the late G.O.C. to his ideal of a free citizen army and free citizen soldiery this word "army" conveyed a baneful impression; while few reflected that as a matter of fact the Militia is really Canada's army and only military force. The Toronto *World* of Sept. 30th dealt with the matter as follows:

> Now, none of these alterations in any way affected the character or composition of the Active Militia. As a matter of fact, whenever a man takes the oath of engagement his service in the 'Active Militia' becomes compulsory and the addition of that word was merely explanatory or descriptive. The alteration of 'Active Militia' to 'Army' was a mere change of name which might or might not be advisable. . . . Lord Dundonald's suggested changes neither increased nor diminished the obligations imposed on the citizens of Canada by the Act. They left the Active Militia to be raised either by voluntary enlistment or by ballot, and the Governor-in-Council absolutely free to name the corps of which it was to consist.

On Oct. 30th the same paper published a communication from Lord Dundonald written in Scotland on the 18th and defending himself against these charges. He had not advocated conscription in Canada. "I always have been and am still opposed to conscription." In various speeches, notably before the Canadian Club at Ottawa he had expressed this view. In accordance with the wishes of his Minister he had made certain amendments to the old Act. "But I made no change whatever in the direction of increasing the liability of the Canadian citizen to serve in peace time. I simply carried out Sir Frederick Borden's wishes in taking the old Militia Act as the basis and making it clearer and bringing it up to date. The only increased power which I desired to give the Government was the power of forcing the boys of the country to perform 100 drills of one hour each between the ages of 14 and 18, which would, of course, have been done with their School Cadet Corps under the new regulations of cadet corps, which I was then in process of drafting." In his various recommendations for the re-organization of the Militia there had not

been one word as to compulsory service. He wanted a purely voluntary army in time of peace. The word "compulsory" had been inserted in connection with the three years' service, in order not to designate what was an actual fact in any case, but to indicate that after the end of the three years, service would be voluntary.* The increase in the Permanent Corps was simply a provision for the future when rapidly growing interests and responsibilities might make more men necessary without the changing of an Act of Parliament.

The *Globe's* reply to this (Oct. 31st) was that Lord Dundonald's "compulsory" clause was too capable of misinterpretation to be tolerated in the statute book; that no Government should be given the power of increasing the Permanent Force—practically regular troops—from 1,000 to 5,000 men; and that in trying to force school boys between 14 and 18 years of age to drill the G.O.C. had indicated his ignorance of conditions in Canada where boys of that age were, as a rule, established at work in some trade, or upon the farms. And then came the point of the Liberal campaign in this respect. "His (Lord Dundonald's) mistakes are pardonable, for by birth and training and profession he is a military man; the real offence is theirs who, living in Canada, have misjudged and misrepresented the ideals of Canadian nationhood and sought to make dominant the military spirit." Meantime the Conservative press had been defending Lord Dundonald but in a manner indicative of some fear as to the "Militarism" issue. The *World,* however, hit out from the shoulder and in a series of editorials claimed (in particular) that the charges as to proposed compulsory service were not only unsustained but that Sir F. Borden had embodied far more drastic provisions in his new Act than any suggested by the late General Officer Commanding. By this measure, it was pointed out, all the male inhabitants of Canada of the age of 12 years and upwards, and under 18 (not specially disqualified) were made liable to drill and training as cadets. One of the independent Liberal papers protested against this campaign. "The Liberal party (Montreal *Witness,* Nov. 11th) made a very wrong use of a confidential draft which passed between the General Officer Commanding and his Minister." The portion of the draft utilized had left an unjust impression and was, therefore, "dishonourably used."

Lord Dundonald never advised conscription (to which he is rightly totally opposed) or resort to compulsory service. His movement was all the other way. He did hold that all boys should go through their facings at school, and this we have always recommended. What we understand by militarizing a country is creating a caste of military men who will domineer over it socially, if not otherwise, and a heavy standing army. Such an incubus is ruinous to any country. The best way to avoid this and to reduce standing forces to a minimum is to have the whole population, as far as possible, in such a condition that when defence

* NOTE—Lieut.-Col. G. T. Denison had anticipated this explanation in a press interview on Oct. 1st.

is needed a citizen army will be easily created. What Lord Dundonald recommended was, therefore, the very reverse of Militarism.

In Ottawa a most vehement campaign was carried on by the Conservative organ—the *Citizen*—with a view to benefiting by the personal popularity of Lord Dundonald and the Imperialism of his words "Keep both hands on the Union Jack." Every possible use was made of these two elements in order to aid the Conservative candidates, Messrs. Birkett and Champagne. Unfortunately for that side, however, the issue became mixed up with the racial feelings existent amongst a mixed population of English Protestants and French Catholics. Whether this was owing to rash Conservative utterances or to careful Liberal manipulation, or to both, need not be decided here, but it unquestionably influenced the result. In this connection the Hon. N. A. Belcourt, one of the Liberal candidates, wrote to the press on Oct. 15th pointing out that as Speaker of the House he had not in any way dealt with the Dundonald affair nor had he since then expressed any opinion on the subject. He strongly deprecated a recent article in *Le Temps,* the local French Liberal organ, accusing Mr. Napoleon Champagne of having been mixed up with Orangemen at the Dundonald farewell demonstration and asking whether that candidate represented "the sentiments of the French-Canadians or those of the Orangemen"? Mr. Belcourt repudiated the article and any responsibility for its appearance. As to Lord Dundonald "the question for all practical purposes has come to an end and, in my estimation, no good, but much harm, will be created by discussing it further." He went on to speak of his 20 years' life in the city and his consistent course in the attempted obliteration of racial and religious issues from its political arena.

Day after day in editorials and published speeches the *Citizen* continued its eulogies of the now distant General and eventually carried out its idea of having a Dundonald Day in the Capital on Nov. 1st. Three days prior to this, however, at a public meeting, Mr. Belcourt read from an official document—apparently furnished him by the Deputy Minister of Militia, dated May 4th, 1904, and signed by Lord Dundonald—as follows: "Ottawa has inadequate Armoury accommodation but some other places are worse off. I would advise the spending of money on Armoury accommodation in order of urgent necessity. If this principle is carried out Ottawa will have to wait!" If it had not been for this, Mr. Belcourt intimated, the new Armoury for which he had hoped and worked would probably have been given Ottawa. This action was denounced by the Opposition as an unfair use of confidential reports and as being also unconstitutional because Parliament had given no sanction to the publication of the letter. Meanwhile, in his speeches, Mr. Champagne defended his tribute to the General at the time of the demonstration; while the *Citizen* urged everyone to wear Dundonald colours on Nov. 1st. This

latter celebration could hardly be described as a great success, after the strong enthusiasm of the first one, but it did indicate the Conservative feeling which undoubtedly existed in this connection. The whole issue, however, so far as Ottawa was concerned, resulted in a substantial and unexpected triumph for the Liberal candidates at the polls.

Throughout the country the candidates and speakers referred to the question and in most cases applause from party audiences greeted the remarks on either side; although there were some exceptional demonstrations given to Lord Dundonald's name at Conservative gatherings in places such as Toronto, Halifax, Winnipeg and St. John. In Montreal, on Aug. 25th, the Hon. W. A. Weir, M.L.A. (Lib.), described the issue as "the desire of an Imperial officer to make himself an autocrat and spend the public money irrespective of the desires of Parliament." At Brampton on Sept. 22nd Mr. R. L. Borden said: "I knew him enough to know that he had in his mind and in his heart from the time he came to Canada until he left it only one object and one aim, and it was to make the Militia of Canada an effective defensive force in this country. He had no object to impose Militarism on Canada. He did not believe Militarism to be consistent with our democratic institutions." At Bury, Quebec, on Sept. 30th, the Hon. S. A. Fisher, Minister of Agriculture, referred to the matter as follows:

> Personally I regretted the necessity for dismissing Lord Dundonald and until he overstepped his duties we were on good terms. A certain little ring of Conservatives were manipulating things to their own advantage, and I simply could not stand it. In the case of Dr. Pickel, who had never shown any interest in military affairs and was given the position when others, well equipped and with military certificates, were being ignored, I did not think it was right and would not stand for it. My political interference consisted in stopping the Conservative intrigues. I would do it again.

In the Toronto contests there is little doubt that the incident was of service to the Conservative candidates and almost every speaker on their side dealt vigorously with it. At Williamstown, in Glengarry, Mr. F. D. Monk, K.C., spoke at length upon the subject on Oct. 10th. He eulogized the General's character and achievements and defended his military policy. "Lord Dundonald has been accused of having desired to introduce Militarism here. But I can tell you that he had but one thought in his mind —a desire to raise the standard of our volunteer system." Speaking at Lachute, Quebec, on Oct. 11th, Mr. G. H. Perley, the local Conservative candidate, declared that he was not Scotch but "it makes my blood boil when I think of the treatment dealt out to Lord Dundonald. It was grossly unfair." At Lachine on Oct. 20th and at other meetings in Quebec, Mr. Monk handled the question without gloves and without apparent fear of the Militarism issue which was being raised around him.

Militarism and the Race Cry in the Elections

The peculiar equipment of Canada's population with its 41 per cent. of a French Catholic electorate has caused more or less disturbance of a racial or religious character to appear an inevitable accompaniment of elections in the Dominion. One part of the people not understanding the language, or perhaps fully grasping the ideals, of the other portion make them easily susceptible to the designs of unscrupulous politicians or the utterances of a not always scrupulous press. In 1904, as in 1900, the issue was complicated by the fact of a French-Canadian Premier being in power and the difficulty found by his compatriots in separating political attacks upon his position and policy from racial attacks upon his personality. Naturally, perhaps, the Liberal press of Quebec did not care to enlighten them upon this point while the Conservative papers of Ontario were only too glad to reproduce any local and specific appeals to French-Canadian support of Sir W. Laurier as a means of stirring up sectarian feeling in Ontario and thus meeting, to some extent, the Premier's dominance in his own Province.

Into this condition of affairs the Dundonald incident and the publication of his alleged "Militarism" proposals interjected an element which was very cleverly used—together with the Conservative support of Mr. Chamberlain—to raise an anti-Imperialist cry. This latter effort was greatly aided by Mr. Bourassa's speeches, the writings of *Le Nationaliste* and the utterances of Liberal papers such as *La Presse* and *Le Canada* of Montreal and *Le Soleil* of Quebec. Neither in Quebec, nor anywhere else, did the Prime Minister say anything which could be construed into an encouragement of this line of action, unless his hasty Parliamentary references to Lord Dundonald could be so considered. But *Le Soleil* was said to be his special organ in Quebec City, as *Le Canada* claimed to be in Montreal, and at Sorel (Sept. 28th) the Hon. Mr. Lemieux had, in his presence, boasted of the Liberal choice of a French-Canadian as Leader, while the Conservatives were said to have "turned down" Sir Adolphe Chapleau. This latter claim, however, was legitimate warfare under the circumstances and only open to misconception because of utterances in the party press. It was in the middle of July* that *La Presse* commenced its campaign against Lord Dundonald with the following reference to the *Globe's* description of the General's desire to build fortresses and spend millions of Canadian money for Imperial defence:

> Here is Militarism appearing in its most odious form. Sir Wilfrid Laurier went to England to kill it in 1902. It was thought to be dead. Yet it revives under the coat-of-arms of a veritable conspirator appointed for the purpose. And because Sir Wilfrid renews the campaign of two years ago against the enemy, who still lives, the Opposition takes that enemy under its shield and builds it a pedestal. . . . Evidently Mr.

* NOTE—Translated and re-published by *The Mail and Empire* on July 15th.

Chamberlain, who was then very strong in the English Government, sent his wolf among our sheep-folds, and he has found among us souls so tender as to lament over the blows which the shepherds have inflicted upon him. In truth, what a campaign of stupidity, to say nothing of national treason, do we not witness at this moment.

Following this, *Le Canada,* on July 20th, published an article headed "Treason" and describing the Conservative organizer, Hon. L. P. Pelletier, as being "in league with the Orangemen to oppress the Province of Quebec." "They threaten to ostracise the Province of Quebec and to take from it all influence in the administration of public affairs, to incite against it all the English Provinces in order to crush it upon the pretext that it votes for Sir Wilfrid Laurier solely because he is a French-Canadian." Two days later *Le Soleil* described the vital forces of Toryism as concentrated in Ontario and Messrs. Casgrain, Tarte, Monk and Pelletier of Quebec as receiving "the word of command from the Orange lodges" of that Province—where 250,000 Orangemen were stated to have just raised their war-cry. This Orange element (which unquestionably has been and is Conservative in its politics) was pictured as representing the Catholic religion to be one of intrigue; as cheering Lord Dundonald in order "to place Canada under the iron rule of a permanent army" and to fight the quarrels of Great Britain in the four quarters of the globe; as raising the race and religious cry throughout Ontario. Messrs. Tarte and Pelletier were then summarized as being traitors. In later issues of this paper the demonstrations at Ottawa and Toronto were said to have been organized by "champions of race hatred" such as Colonel S. Hughes.

As the electoral contest passed through its preliminary stages into the full light of the national view all kinds of expressions were made use of. *La Presse* spoke continually of its desire to be liberal in thought and moderate in tone and outside the range of any racial cry—if only the Conservative people and press of Ontario, objecting to Sir W. Laurier because he was a French-Canadian, would give up their incendiary campaign. Others also denounced the alleged combination of French Conservatives with Ontario Orangemen; asserted that Conservative opposition to the Grand Trunk Pacific was based solely upon the fact that the project would aggrandize and place in the front rank the Catholic Province of Quebec; declared that the return of the Conservatives to power would result in authority being given to the Government to send regiments of the Militia to be killed in Thibet, Manchuria and elsewhere in order to round off English territory. *Le Progress* of Valleyfield on one occasion praised Sir W. Laurier for having paralyzed the efforts of Chamberlain, rendered abortive the Conference of 1902, taken off the head of a powerful English General and claimed for Canada all the privileges of an independent nation.

Meanwhile certain personal incidents were taking place. The

Hon. L. P. Brodeur, Minister of Inland Revenue, spoke at St. Pie de Bagot in the early days of the campaign and an inflated and unfair report was sent Conservative papers such as the *Mail and Empire* and the Ottawa *Citizen* stating that the Minister had made a violent speech describing the English-speaking people as prejudiced and bitter enemies of the French and urging the latter to combine in a racial union for self-defence. This was so contrary to Mr. Brodeur's recent utterances in Toronto that his friends were amazed at the remarks. What he really said was as follows:*

The adversaries of the present Government in Ontario have commenced to appeal to the prejudices of the people of that section of the country, demanding that the electors pronounce against Laurier. These appeals are really unworthy of the Conservative party. I have confidence that the Province of Ontario, with its broad enlightened spirit, will refuse to surrender itself to so contemptible (*mesquine*) a policy. If the Province of Quebec judges it proper to support the present Government it will be because the works of that Government merit the confidence and approbation of the people.

Mr. Brodeur proceeded to denounce these and similar articles as the basis for a campaign of hate and intolerance and as calculated to raise all manner of race and religious issues. "But such cries are raised in vain by our opponents. Canadians are too intelligent—they have learned too well the great lessons taught by Sir W. Laurier and his colleagues, of peace and mutual respect, amongst all the diverse people of this land, to be influenced by such base appeals." Another incident illustrative of the way these issues are sometimes encouraged occurred in the publication in the Toronto *News* of Oct. 13th of a despatch from Three Rivers, Quebec, describing a gathering said to be composed of many Bishops and Archbishops of the Roman Catholic Church in Canada and presided over by Mgr. Sbarretti, the Papal Delegate. It was stated that one result of its deliberations would probably be the issue of a *Mandement* regarding the matter of Separate Schools in the Territories and that upon the terms of this epistle—the question of which party would go the furthest to please the Hierarchy —much would depend in the elections. On Oct. 24th the Montreal *Star* published an interview with Archbishop Bruchési stating that this article was almost entirely inaccurate; that some of the Bishops named were not present at all; that the Archbishops were in Three Rivers to attend a special religious ceremony and were not present at the other gathering; that the meeting itself was an annual one for the discussion of purely Church matters; and that the subject referred to had never even been mentioned. Speaking to the Winnipeg *Free Press* on Oct. 26th, Archbishop Orth of Victoria, B.C., declared the meeting he was at a purely religious one. "The Church is ready to deal with public questions and even, as the saying is, go into politics, if it is necessary

* Note—Letter to the Author dated Oct. 5th, 1904, and also report of speech at St. Hilaire on Sept. 18th.

in the interests of public morals or in defence of the rights of the Church, but the present meeting of Archbishops had no connection with politics, nor in any way with the civil administration."

On Oct. 10th the Quebec *Chronicle* published a report of a speech delivered at L'Auge Gardien by Senator P. A. Choquette, on the preceding day, which included the following words: "Are our religious interests not more assured in the hands of one of our own, like Sir Wilfrid Laurier, than in the hands of an English Protestant like Mr. Borden? I despise race prejudices, but blood is thicker than water. Let us support our own blood in preference to that of Mr. Borden." This sentence was at once telegraphed to the Conservative papers throughout Canada as an evidence of the kind of warfare being carried on in Quebec. On the 13th a letter from Senator Choquette appeared in the *Chronicle* and was sent out to the Liberal press, generally, in which he emphatically denied the truth of the report and proclaimed those who alleged otherwise to be "Tory liars." The *Chronicle* responded with the statement that its informants were well-known and highly respected men who maintained that they had heard the exact words reported in that paper. Two days later it published a signed communication from Mr. T. Chase-Casgrain, the Hon. L. P. Pelletier, Dr. Fiset, Mr. L. P. Grenier and ten other gentlemen stating that they had heard the words and seen them taken down by a stenographer as uttered. To this they were willing to take oath if necessary. Three of these gentlemen, however, repudiated their signatures on the following day and declared that they were not certain as to what was said. In this connection the *Globe* of Oct. 14th published an interview with the Hon. Mr. Prefontaine in which he stated that the Liberal press of Quebec was simply putting before its readers in this connection the insults of papers like the Hamilton *Spectator,* the Toronto *Mail* and the Ottawa *Citizen.* "Our Liberal newspapers are not writing against the English-speaking Canadians but against the Conservative party. We in Quebec supported Sir John Macdonald during 25 years. In fact, he was kept in power after two general elections by the exclusive support of Quebec, and we would be very foolish if we to-day should give our votes in support of the party that is supported by a paper like the Toronto *Mail* and others which are daily insulting us because we saw fit in 1896 and 1900 to vote against their then disgraced party."

Other utterances appeared from time to time. *Le Courrier de Montmagny* suggested that Mr. Henry Price, the local Conservative candidate, should sign a pledge that, if elected, he would "combat every Imperialist attempt and vote against Imperial Federation." He should also declare himself "opposed to Militarism and in favour of Canada before Great Britain." In Mr. Armand Lavergne's Address to this constituency—where he was elected by a large majority—he used these words: "I present myself to assert the rights of the French-Canadian and Catholic

to have his proper representation at Ottawa. I am Liberal, but above all opposed to Imperialism, Militarism, and the crushing of Quebec under Tory feet. They wish to buy you, my friends; think on our old flag, our dear Province, our ancestors and our religion." In Mr. Chase-Casgrain's constituency, Montmorency, where the Liberal candidate ultimately defeated him, it was claimed by the Quebec *Chronicle* that the old Riel cry was revived in speech and cartoons. In one of the latter he was represented with a hangman's noose in his hands—the basis of these charges being the fact of his acting as a junior counsel in the Riel prosecution. Mr. George W. Parent, a Liberal, who was elected by a good majority, was said to have advised a gathering at Chateau Richer on Oct. 9th that Lord Dundonald, as a Militarist supported by the Conservatives, was the greatest enemy the French-Canadians had.*

Meanwhile the Conservatives were not idle in this regrettable campaign. *Le Courrier* of St. Hyacinthe, in the middle of October, drew attention to the "unfair" way French-Canadians were treated by the electorate in the other Provinces; to their lack of reasonable representation in the Senate; to the sacrifice of the French Catholics of Manitoba at the shrine of Sir W. Laurier's political ambitions. Some of the minor Conservative papers of the Province took similar lines. In Ontario continual attention was drawn to the probability of the Premier continuing to hold predominance in Quebec by virtue of his French-Canadianism and Catholicism; while the Liberal editorials already quoted were kept before the eyes of the electorate as in 1900 the utterances of Mr. Tarte had been. The Hamilton *Herald* (Ind.), of Sept. 30th, declared that: "Even if the blunders and weaknesses of the Government were much more numerous and serious than they are, it would still be buttressed by the solid support of the Quebec French in whose eyes the fact that a French-Canadian is at the head of the Administration is enough to cover a multitude of sins." The Ottawa *Citizen* of Oct. 5th, in the following words, indicated the character of a persistent campaign on its part: "It is useless to blink the fact that if Quebec again, in 1904, determines on a similar course it can elect Sir Wilfrid Laurier to power, no matter what the rest of the Provinces may do. A solid phalanx of three score votes from a single Province is something which the rest of the Provinces voting strictly on political lines cannot possibly combat."

In the Ottawa fight the issue was a pretty clear one. In a speech by ex-Ald. Vincent on Nov. 2nd he declared his belief, as a Conservative, in an alleged statement of Sir George Cartier's that "it would be a serious day for French-Canadian interests when a French-Canadian was at the head of affairs." During the past eight years he felt that this had been proven true. The local

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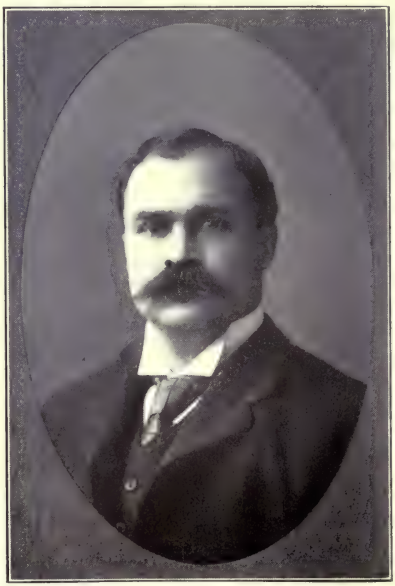
NOTE—*The Chronicle* report of Oct. 10th, 1904.

MR. J. LORN MCDOUGALL, C.M.G., I.S.O.
Auditor-General of Canada.

THE HON. J. H. AGNEW, M.L.A.
Appointed Provincial Treasurer of Manitoba, 1904.



MR. W. K. GEORGE.
President of the Canadian Manufacturers Association, 1904.

Liberals met such remarks with charges about Dundonald and Militarism. Another general charge against Conservatives which can neither be absolutely proved or disproved was the statement that they used the race and religious position of Sir W. Laurier as a basis for underhand attacks in such constituencies as it was thought the inuendoes would be serviceable in. And thus the fight went on. The Hamilton *Spectator* (Con.) had many editorials along lines indicated in its words of Oct. 19th: "As the campaign goes on it becomes more and more evident that the Dominion should not be controlled and dictated to by the Choquette and Bourassa element of Quebec."

The Auditor-General's Participation in the Contest

A feature of the contest which was interesting, though probably not influential, was the participation of Mr. Lorn McDougall, the Auditor-General. Following upon the Parliamentary debates which arose out of his unaccepted resignation, and the comments of newspapers of every shade of politics deprecating his proposed retirement, came a letter to the *Globe* of Oct. 8th. In it Mr. McDougall argued that the decision of the Treasury Board as against the occupant of his office should not be paramount and in this connection made the following statement: "As a matter of fact, Parliament in Great Britain always passes in review, during the first Session after the Report of the Auditor-General has been published, the over-rulings of the Treasury Board and decides in each case whether the recommendation of the Auditor-General or that of the Treasury Board in a case is for the future to be followed in like cases. In Canada Parliament is helpless."

The present Act, he claimed, was 26 years old and unsuited to current contingencies and future developments. When the Treasury Board did over-rule the Auditor-General its reasons should be given to Parliament as well as those of the latter. In the recent increase of salary given to deputy heads of all Departments except his own he saw an attempt to punish him for having saved the people a large sum of money (in defiance of the Government) in the Cornwall Canal contract. It was of a piece, he declared, with the Government's effort to also restrict the powers of his office. He went on to say that he had withdrawn his application for superannuation as soon as Dissolution was announced and he now left the issue to the country and to a new Parliament; appealing only for effectual guarantees that the people's money should be expended for the people's purposes. On Oct. 29th the Auditor-General issued a brief Address to the Electors explaining his position and the following extract contains his main points:

> There was ground to expect that you would see that the most painstaking Auditor, even with the best Audit Act, must let too much of your sweat-stained money go to people who had not earned it. With this knowledge you would require your new members to carefully change this and other laws so as to help your Auditor, and other honest servants

whose duties lie in the same direction, to feel that their labours have full results in your interest. It did not seem necessary to say that I could not hope to keep out of an asylum for the insane if I attempted to do your great work here with the immense additions so soon to come to it without this help, and, therefore, I should leave. I asked to be superannuated. I tried to make it clear that my health was good and that I was not tired of work. . . . If your representatives do not take up the Audit Act earnestly in the first Session I shall quit this office with the superannuation I have earned, if possible, but if I cannot get that, then without it.

The Ontario Government's Share in the Elections

Another matter of somewhat greater importance in the contest was the influence wielded by the Ontario Government. Any support thus accorded to the Federal authorities was taken by the Opposition press and speakers to be a strong reason for voting against the Laurier Government so that this interposition may be considered as very doubtful in its ultimate result. On the one hand the Conservative majority in the Province was slightly reduced; on the other there was no such favourable change toward the Liberals as nearly every other Province of the Dominion showed. It was on Sept. 27th that *La Presse* of Montreal had a much-discussed and quoted interview with the Premier of Ontario. The following is the *News'* translation of the special paragraph referred to: "Then Mr. Ross spoke with enthusiasm of Sir Wilfrid Laurier, 'who is,' he said, 'the most powerful man that I have ever met. It is necessary to fight with him and for him.' Mr. Ross added that he had good hopes of a Liberal triumph in Ontario, and of being able to assure a majority for Laurier." At Mount Brydges, on Oct. 7th, Mr. Ross paid Sir Wilfrid Laurier one of the most eloquent tributes which he received during the entire contest and described him as a statesman who had unified the races and curbed the religious asperities of Canada; as a great Canadian who had "idealized the politics of the nation." He denied any compact between himself and Sir Wilfrid for the purpose of mutual political aid and declared each of them to be quite capable of managing his own end of the line. At Peterborough, on Oct. 20th, Sir Wilfrid Laurier made a casual but much-quoted reference in his speech to "my friend Mr. Stratton" and on Oct. 28th the Ontario Premier spoke at Strathroy in support of the Liberal candidate for Parliament, Mr. W. S. Calvert.

This appears to have been the extent of his, or the Ontario Government's public share in the campaign. The Conservatives, however, made the most of it and any unpopularity attaching to the Hon. Mr. Stratton, or any culpability for electoral corruption laid by popular sentiment at the doors of the Ontario Government, were made to do service against the Federal authorities. The *Mail and Empire* claimed—Oct. 3rd, 13th, 15th and 22nd—in leaded type that there was a covenant between the Ontario Government's "machine" and the Dominion Premier that the

Province should be delivered to the latter in this contest and that, in return, Mr. Ross would have all the political and financial backing of Ottawa in his own fight for life at a later period. Mr. A. B. Aylesworth and his legal connection with the Gamey case and with Ontario protests was brought in as further evidence of this compact. One Conservative paper—the Kingston *News and Times* of Oct. 24th—went so far as to describe the Hon. Mr. Stratton as a coming member of the Laurier Government. Upon the very slight premises thus indicated a bitter portion of the contest in Ontario was waged. It probably had some general effect upon the result.

The Yukon Charges and Local Controversies

In British Columbia, especially, and as far as possible elsewhere in the country, much capital was made, or attempted to be made, out of the Liberal party's split in the Yukon and from the very pronounced charges against the administration of affairs by Mr. Frederick T. Congdon. Appointed Commissioner in the previous year, a lawyer of good standing, a University graduate and a man of a type which perhaps might not be expected to harmonize fully with the Western ways of a great mining region like the Yukon, Mr. Congdon certainly found matters lively enough from the start. And he seems to have made them more so. Complicated circumstances soon caused the Dawson *Sun,* a Liberal paper, to oppose his Administration as did, of course, the Conservative *News*, while the *World* was started to support the Commissioner in place of the *Sun* and this it did with thoroughness under the editorship of Mr. W. A. Beddoe. Early in 1904 a portion of the Liberals banded together in Opposition and began to demand a share in the patronage, a change in the Commissionership and the taking of civil servants—most of whom were strong supporters of Mr. Congdon—out of the political field. On June 25th Mr. J. H. Ross was re-nominated as the Liberal candidate though it was understood that the independent element would oppose him. He, however, declined at a later period to run again. This Convention, which was a large one, strongly endorsed the "able, upright and conscientious" management of affairs by Mr. Congdon.

On July 1st another Convention was held and Mr. I. J. Kearney nominated in place of Mr. Ross with a platform which included the abolition of the existing export duties; the establishment of a winter mail service for all second class matter; trial by jury as in other parts of Canada; an all-Canadian railway to the Yukon; supervision and adjustment of railway and steamboat rates; the reform of the Yukon Council so as to make it wholly elective; confidence in the Laurier Government and particularly in their fiscal and immigration policies. Following this came a strenuous contest over the question of rescinding the city charter of Dawson. It was claimed by one side that the chief business men of the City had petitioned the Commissioner and the Territorial Council to

take this action; that Mr. Congdon decided in favour of a plebiscite upon the matter in order to be sure of public opinion; that civic conditions under the old *régime* were becoming intolerable through severe taxation, continuous deficits and loose, extravagant management; that the vote finally taken gave a good majority out of what could not have been a larger actual electorate than 1,000. The anti-Congdon view was given in a telegram of appeal to the Canadian press, dated Sept. 13th and signed by Mr. W. F. Thompson of the Yukon *Sun*. In it appeared the following paragraph:

> **After a shameless exhibition of the most barefaced jobbery ever manifested in Canada; after the dictum of the Superior Court Judge that the elections under the circumstances would not be legal; after a united protest by the press and people; the local Administration of the Yukon Territory to-day stole from the people of Dawson their city charter in an election forced upon the people by the Commissioner of the Territory with the illegal issuance of voting certificates to people who had no right to vote. By the disfranchisement of several aldermen, the city attorney and a majority of the taxpayers, the Congdon Government was able to appropriate the city charter and to throw the city government into the hands of the Territory by a vote of 288 to 92, a total of only 380 votes cast out of at least 3,440 taxpayers. At the request of ten per cent. of the taxpayers of the city the Congdon Administration forced through the Yukon Council a bill compelling the city to submit a plebiscite to the people to decide if they wanted to retain the city's charter.**

He went on to claim that "through the abuse of power, oppression and intimidation of the Condgon Administration, a reign of terror is on in the Yukon. Fully four thousand citizens have left the Territory in the last three months, never to return. Business is practically paralyzed and the future of the Camp killed by the Commissioner and his confederates in an attempt to build up a political machine that will return Congdon to Parliament." In British Columbia much was made of this alleged condition of affairs. The *News-Advertizer* of Vancouver stated that many recent residents of the Yukon had called to confirm Mr. Thompson's statement; and letters and interviews appeared in numerous papers both West and East. On Sept. 29th the press of the country contained another despatch from Mr. Thompson declaring himself the sole owner of the Yukon *Sun*—which he described as a Liberal organ in everything except opposition to Mr. Congdon—and stating that the North-West Mounted Police officials would confirm his statement as to 4,000 departures, during the year, from Dawson City.

Mr. R. P. McLennan, ex-Mayor of Dawson, was interviewed on Sept. 30th by the Victoria *Colonist* and said that the surrender of the city charter would save them $8,500 a year in salaries. The opposition to this step had been greatly strengthened, however, by a lack of diplomacy in the Commissioner. "The population was split up in a number of factions and feeling was bitter." To the same paper on Oct. 1st Mr. H. E. A. Robertson, who had been in

the Yukon since 1898, deprecated the local policy of the Federal Government. Stability in administration was the great need. "The mining industry is not properly fostered and encouraged and the claims are too small." He stated that the taxpayers who had asked for the revocation of the city charter were largely aliens; that entirely inadequate public notice was given of the plebiscite; that the vote was not honestly taken; and that the Commissioner's interference was ill-advised and dangerous. On the day after this a letter was made public from Mr. J. H. Duncan of Dawson declaring that Canadians were leaving, denouncing without gloves the "Government grafters" in the Yukon and describing Mr. Congdon as a "Czar."

Another telegram from Mr. W. F. Thompson appeared in the Western press on Oct. 4th. It contained a few lines confirming the terms of his first despatch and signed by 23 persons or firms whom he described as buying goods annually in Vancouver. The list included Messrs. Elgin Schoff, T. Dufferin Pattullo and T. W. O'Brien and they stated that the details of the deplorable local condition were even worse than Mr. Thompson had depicted. On the same day in Dawson the anti-Congdon Liberal Club passed a Resolution endorsing Mr. Thompson, eulogizing the Laurier Government and denouncing the Commissioner for having divided the party and "stolen" Dawson's city charter. A little later Mr. James R. McKinnell of Eldorado told various Conservative papers in the West that a Mr. Temple was one of the chief causes of the local troubles and that under the present rule "the working miner in the Yukon had absolutely no protection." Mr. C. M. Woodsworth gave the Victoria *Colonist* a long interview on Oct. 15th. He denounced the policy of the Minister of the Interior, the administration of Mr. Congdon and the attitude taken by Mr. Temple. His words were very strong:

> Anyone who does not approve of the Administration is not wanted in the country. As no honest man can approve only grafters and crooks are encouraged to stay. Official positions and Government contracts are alone open to this select few. At the recent sitting of the Licensing Board, every critic of the Congdon Administration and every Conservative known as such in the saloon business had his license cancelled, while gambling and bawdy houses were granted licenses without stint. . . . In the recent city charter steal neither myself nor the majority of the taxpayers had any vote. We could not get the proper certificates. My taxes are fully paid. I was assessed on real and personal property and income and was and am *bona fide* owner of the property. On the other hand, long after my refusal, certificates were being issued to anyone, whether taxpayers or not, who would vote for the recession of the charter. Of course, the charter was rescinded.

To the same paper, as above, Major H. J. Woodside, of Dawson, gave another and similar interview three days later. He praised the Administrations of Messrs. Ogilvie and Ross but declared that since the coming of Messrs. Congdon and Temple things had been going from bad to worse. It was now practically

a reign of terror with ruin to many business men who had refused to bow to the wishes of the Administration. There were too many useless officials in the Territory and, although a Liberal himself, conditions were such that he could no longer stand them. Following these and other statements* came a libel suit by the Commissioner against Mr. Thompson of the *Sun* and on Oct. 29th the nomination of Mr. Congdon as Liberal candidate for the Commons in place of Mr. Kearney who had dropped out of the contest. Dr. Alfred Thompson of the Yukon Council was already in the field as the Conservative candidate and, later on, he appeared as an Independent candidate for the purpose of combining his party with the discontented Liberals.

Mr. Congdon's nomination was made at a unanimous Convention of 182 delegates whom the Dawson *World* described as "the flower of the Territory, the bone and sinew of the land." He at once resigned the Commissionership and plunged into the fight. Speaking to the Young Liberal Club on Nov. 4th he denounced as unscrupulous and unfair the newspaper charges made against him and demanded something definite and specific. "Here in the Yukon there are all sorts of reckless accusations of corruption and grafting but, as yet, the paper that is always talking of such things, and the men behind it, have failed to name a single specific instance of any wrong-doing." He asked his accusers to appoint a Committee of respectable citizens and the Comptroller would place the books of the Territory before them. If one single wrongful act were found he would retire from the contest. As to public matters when he became Commissioner there was a Territorial Debt of $287,000. It was now wiped out and there was a surplus of $40,000 in the Bank. Good roads and good schools were a part of his administrative policy. But these matters had little to do with the Dominion elections, generally, as it was chiefly the charges made against the Commissioner and not his defence which appeared in the press. In British Columbia, as the Federal contest progressed, the Conservative candidates took up the subject with vigour. Capt. Phillips-Wolley in Nanaimo had "the purification of the Yukon" as a part of his platform; Mr. C. M. Woodsworth spoke for Colonel Prior in Victoria on this basis of Yukon corruption and mal-administration; and it was a topic of constant criticism in the Conservative press. In Ontario and the East not a great deal was heard of the matter and in the end the Pacific Province did not appear to think there was much in it as a party plea.

On Nov. 17th a great public meeting called by the Liberal candidate in Dawson heard the charges against Mr. Congdon and his reply thereto. Dr. Thompson formally gave up his Conservative candidacy and was re-nominated as an Independent. The final result of the contest was his election by a large majority.

* NOTE—These citations may seem too uniformly unfavourable to be fair, but whatever the reason may be the newspapers of the year contained hardly any other kind of interview.

The Blair-Russell Incident and its Developments

An extraordinary and even dramatic story is that of the share taken in the Elections of 1904 by the Hon. A. G. Blair and Mr. David Russell of Montreal. The former was Chairman of the recently created Railway Commission with a salary of $10,000 a year; the latter was a capitalist and speculator of Montreal and St. John who had organized the Shawinigan Falls Power Co., built the Majestic Theatre at Montreal and the Caledonia Springs Hotel, and re-organized the Lake of the Woods Milling Co. He was also alleged to be a principal proprietor of Abbey's Salts—a money making medicine. The initial development in the political drama was a change in the management of the St. John *Telegraph,* at one time a Liberal organ and then the organ of the Hon. Mr. Blair. On Mar. 1st Mr. C. J. Milligan, its late Managing Editor, stated that arrangements were about settled for the Liberal acquisition of the St. John *Gazette* as the special organ of the Hon. Mr. Emmerson, Minister of Railways. It was to be called the *News* and the Company, with some prominent names announced as shareholders, was to have a capital of $100,000. On Mar. 21st the Hon. H. A. McKeown and Mr. Milligan were in Ottawa completing arrangements.

Then something happened. So far as can be gathered from multitudinous statements and contradictory opinions, the Hon. Dr. Pugsley, Attorney-General of New Brunswick, who was an intimate friend of Mr. Blair and Mr. Russell and the controlling influence in the *Gazette,* withdrew his option to the Liberal Syndicate and allowed Mr. Russell to obtain control and to bring it out on Oct. 1st as the *Evening Times* with a nominally independent policy. Meanwhile, other curious incidents were occurring. On Aug. 19th the *News* of Toronto had a despatch from St. John stating on the authority of a "prominent Conservative" that Mr. Blair would "shortly resign the Chairmanship of the Railway Commission and co-operate with Mr. Borden." A little later Mr. David Russell (Aug. 29th) asked the Hon. Dr. Pugsley by wire from Boston if he would accept a complimentary and non-political Dinner on Oct. 6th. "Five hundred invitations will be sent out. Special train to convey guests from Montreal to Springs. Tickets will be provided for our Ottawa and New Brunswick friends." The invitation was duly accepted.

At this banquet the Hon. A. G. Blair presided and a number of prominent men were present although no other member of the Provincial Government and no members of the Ottawa Government were there. The Hon. Mr. Emmerson wrote expressing his regrets. In his speech Dr. Pugsley eulogized his old friends Mr. Blair and Mr. Russell, referred to the rumours that he was to become Minister of Railways, and declared that he had no burning desire to leave his pleasant post of the present moment. Mr. Recorder C. N. Skinner of St. John remarked, with some significance, in his

speech that "I hear from all sides rumours of a call that is coming for the Attorney-General to go up higher and to perform greater duties for his country than he can do in his Provincial sphere." Mr. Donald Macmaster, K.C., and Mr. J. N. Greenshields, K.C., of Montreal also spoke while the host kept in the background except in the way of providing a most unusually sumptuous and costly entertainment.

There were over a hundred guests present from New Brunswick, more than half-a-hundred from Montreal and a number of others from Ottawa. From what was said then and afterwards there seems no doubt that this demonstration was intended to bring Dr. Pugsley before the public eye as a candidate for the Dominion Parliament in the coming elections and as a possible successor to the Hon. Mr. Emmerson in the existing or some other Cabinet at Ottawa. Meantime Mr. Russell had obtained control of the St. John *Telegraph* as above stated. The retirement of Mr. Blair from the Government had made its politics uncertain and at one time it supported his views and then, at another period, those of the Government. A Liberal weekly paper in Ottawa called *Events,* on Nov. 24th, declared that Mr. Russell obtained possession by using for his own purposes two batches of stock ($25,000 each) which he held in trust for a couple of gentlemen who would not, or could not, let their names become public; that he turned the Directors representing these men out of office after purchasing $9,000 worth of stock for himself out of a small quantity not issued; and that he then offered the paper, apparently without success, to the Liberal party for $125,000. The truth or otherwise of this story cannot be certainly ascertained but there seems no doubt that he did obtain control of the paper.

At this point there appears to have been a hitch in the general arrangements as Dr. Pugsley did not get a nomination for the Commons and did not, therefore, continue a prominent figure in what followed. Dissolution was announced on Sept. 30th and on Oct. 17th the matter took a new phase by the startling announcement in *Le Nationaliste* of Montreal that a syndicate of capitalists including Mr. Hugh Graham and Mr. R. Forget, both Conservatives, had purchased *La Presse*—the Liberal organ of French Canada and the paper with the largest alleged circulation in the Dominion—for $1,100,000. This was denied by the gentlemen mentioned and street rumour in Montreal generally was to the effect that Mr. Russell had made the purchase with Mr. J. N. Greenshields as his adviser and negotiator. A despatch of the same date to the Toronto *Star* appeared to confirm this latter story and declared that the change of ownership would involve but little change in the policy or management of the paper.

There was much suppressed and silent excitement over the matter. A newspaper with 78,000 stated subscribers changing its politics in a night and coming out with any vigorous denunciation of the Government, or their railway policy, might involve

serious political results, if not a stampede, amongst an electorate likely to be easily influenced by such dramatic and sensational tactics. Meanwhile, a letter had been written on Oct. 12th to Mr. C. A. Dansereau, the Managing Editor, and signed by Mr. Russell, which was not made public until two months later. In it the new proprietor—or representative of the new proprietors—referred to Mr. Dansereau's experience in public life and knowledge of public affairs and asked him to "assist, in so far as possible, during the next thirty days in the editorial department of *La Presse* which I have this day acquired." This would carry matters over the election. Mr. Russell then indicated what had been the past policy of the paper and proceeded as follows:

> **I am prepared that the paper should support the protective policy advocated by the paper in the past, and also should oppose the doctrine of Imperialism in this country. You should also continue to defend the contract made between the Government of Canada and the Grand Trunk Pacific against attacks that may be made against it by the public press opposed to the policy of the Government until after the general election. . . . On all other questions I shall control and govern the policy of the paper.**

Other developments ensued in this connection but the sensation created by the incident was as nothing to the feeling aroused two days later by the announced retirement of the Hon. A. G. Blair from the Chairmanship of the Railway Commission, in the words of a telegram to the Editor of the St. John *Telegraph,* dated Oct. 18th: "I authorize the announcement that I have resigned my position as Chairman of the Railway Commission and have notified the Premier that beyond re-affirming my strong objection to the Grand Trunk Pacific scheme I have no present intention of re-entering public life." This was a veritable bomb-shell in the political camps and the press teemed with the wildest conjectures. With Mr. Russell and, persumably Mr. Blair, in control of two St. John newspapers and a great French daily paper; together with the influence which the ex-Minister would have in the Maritime Provinces, and elsewhere as well, if he took the stump against the Government; *plus* the aid which the financier might afford in other directions; the possibilities were quite sufficiently interesting in the midst of an electoral contest. No one seemed to know what Mr. Blair would do though it was taken for granted that he would not actually run for Parliament. The St. John *Telegraph* stated in a despatch from Montreal (Oct. 19th) that he would "take the stump" for a few days against the Government's railway scheme and all sorts of rumours appeared as to financial positions which he was going to accept—the Presidency of the Lake of the Woods Milling Co., the Solicitorship for the Canadian Pacific Railway, the Grand Trunk Railway and even the Grank Trunk Pacific, being popular and favourite guesses. To the Toronto *Globe's* correspondent Mr. Blair, on Oct. 19th, said "no" to an inquiry as to whether he was going into politics and to his own

Board he made the following statement on the day when his retirement was made public:

> The intimation I wish to have conveyed to the public is that this is the last session of the Commission at which I shall occupy a place either as Chairman or as a member of the Board. I have felt myself compelled in my own interest to come to this decision with the utmost regret. I find the work of the Board very congenial to me but, notwithstanding, I have not found it sufficiently attractive to induce me to forego personal advantages which otherwise are open to me in other employment. . . . I may say that at the present moment I have had presented to me for prompt determination the question as to whether I will turn my mind and my energies in another direction, which will be very much more profitable to me personally than the position which I now fill. I hope it will not be thought that in doing so I have pursued any other course than that which is proper and legitimate in a man who, if he does not consider his own interests certainly cannot expect to have them considered by others. I make no complaints ; I cast no reflections. I do not wish to intimate that I have any cause whatever to find fault.

The delight of the Conservative party at these developments was extreme and not at all unnatural. But as day after day passed without actual fruition for their hopes; with no evidence of the expected speeches from Mr. Blair; with little change in the tone or policy of *La Presse* excepting a mildness of party statement and a sort of "wobbling" which were very negative in their usefulness; the party press lost some of its enthusiasm. That of the Liberals, on the other hand, began to make scornful comments upon a game which had, apparently, the Government and the Grand Trunk Pacific as the objects of a most mysterious course of action. It was charged in public discussion and private correspondence that Mr. Blair was indebted to Mr. Russell in considerable sums of money; that a big New York Syndicate, in which these two gentlemen were interested, wanted a Minister of Railways in either a Laurier or Borden Government who could be controlled in the granting of Grand Trunk Pacific contracts; that on Oct. 22nd Mr. R. L. Borden joined Mr. Russell, Mr. Greenshields and others of his party in their private car and travelled with them from Fredericton to Halifax;* that Mr. Blair was to be Minister of Railways in Mr. Borden's Cabinet if the Opposition were successful and that, in any event, the strongest efforts were to be made to defeat Mr. Emmerson; that Mr. Blair had received sums ranging from $20,000 to $50,000 from the Syndicate on the day of his retirement and that, on the other hand, his reason for not taking the platform was that the promised moneys had either not been paid or else paid in notes of hand. On Oct. 19th the Montreal *Herald* had sized up the situation from the Liberal standpoint as follows:

> (1) What is the financial inducement, of which Mr. Blair declines to speak, which has led to his abandonment of a Judicial position of his own creation, and by whom was that inducement offered ?

* Note—Statement by Mr. Emmerson, Minister of Railways.

(2) Is there any possible explanation of all the facts, apart from the supposition that the newspaper manoeuvres were preliminaries to Mr. Blair's resignation ?

(3) If not, has Mr. Blair been all this time a party to these manoeuvres, holding his Judicial position until a moment when all the preliminaries to this development of a campaign against the Government had been effected ?

(4) How explain, with credit to Mr. Blair, the evident participation of the Conservative party managers at important phases of the matter, and the jubilation of the Conservative press over his extraordinary action.

Meantime the incident grew with the mystery and expectation of the time. There were all kinds of alleged plots in progress. *Le Nationaliste* was a fruitful source of rumour and one of its stories described a syndicate with $40,000,000 capital and including Mr. Russell and Mr. Hugh Graham of the Montreal *Star*. Its object was to get control of the Grand Trunk Pacific contracts through pressure upon Messrs. Sifton, Prefontaine and Fitzpatrick. The latter were to be driven out of public life by scandalous revelations if they refused to aid; a number of Liberal supporters in Quebec were to be bought up on nomination day and their opponents returned by acclamation; while Mr. Blair, on his part, was to " stump " the country against the Government. The particulars were said to have been worked out at the banquet to Dr. Pugsley and to have been revealed by the latter to Sir Wilfrid Laurier. If there was any plot or scheme, in this or a milder form, it certainly appears to have been given away by someone. Meanwhile, and until Nov. 3rd, the whole country was discussing the innumerable rumours regarding Mr. Blair and others in this matter and wondering from day to day what was going to happen next and what could be the motive or motives involved.

Theories were as numerous as they were wild. The Montreal *Herald* claimed that the recent capitalization of the Montreal *Star* into a joint stock company of $1,100,000 capital, in which Mr. Graham was said to have retained $600,000, had something to do with the acquisition of *La Presse,* the St. John *Telegraph* and the *Times*; the Hon. Mr. Tarte, in *La Patrie,* declared that English capitalists were at the back of these combinations and that as Mr. Blair had " always been a great gamester " in politics the alleged plot was probable and characteristic; other French Liberal papers took up this idea of English investment and even alleged that Mr. Chamberlain was behind the movement. This *La Presse* on Oct. 21st denied strongly:

We have personal friends in both camps and we will do in the future as we have done in the past, recommend them for their personal work. We also repudiate the article of *Le Canada,* which insinuates that the new blood which has come to *La Presse* comes from Chamberlain and his party. None of the politicians named has put his hands on *La Presse,* which remains an independent newspaper, formed by a strong accession of commercial genius and enterprising capital.

The paper also stated that its proprietor (in the past) the Hon. Mr. Berthiaume, had recently been organizing a Company of which he was President, his son remaining in an important position, the manager, heads of departments and former staff being all retained. On the same date the Hon. Mr. Fisher, in a speech at Shawville, Que., sneered at Mr. Blair, in what was the first public comment from the Government in the matter, for his facility in accepting positions. "He is not so much in opposition to the Grand Trunk Pacific," said the Minister of Agriculture, "that he will not take a good job." On Oct. 22nd a despatch from St. John in certain Liberal papers stated that Mr. Borden, some time before the beginning of the campaign, had endeavoured to get Mr. Blair into the political arena in New Brunswick, with Judge Landry of that Province retiring from the Bench and taking charge of the Acadian vote. This plan, it was alleged, failed because of objections from the Hon. George E. Foster who did not like the idea of his old antagonist being taken up in this way.

As time passed, and Conservative hopes from these perplexing and pyrotechnical incidents faded away, the attacks of the Liberal press became stronger in an effort to turn the whole influence of these proceedings against the Opposition. The St. John *Globe,* on Oct. 24th, declared the affair to be "one of the most daring schemes" ever attempted in Canada. "The construction of the Grand Trunk Pacific will involve the expenditure of many millions of dollars. There are men very active in political affairs just now who want to have Mr. Borden's scheme carried out, and in return for an enormous outlay of money to reach that end they are to have charge of the millions and the indirect interests connected with the whole matter." Another view was expressed by the *News* of Toronto (Oct. 22nd). After referring to Mr. Blair's work on the Railway Commission and the importance of the issues being dealt with by that Tribunal, it described his action as most peculiar and inopportune; as not warranted by any reasons given or by his past antagonism to the Grand Trunk Pacific project; as being a mysterious and sensational step which demanded a full explanation. Then, on Oct. 24th, Mr. R. L. Borden had also issued his Address to the Electors and published at the same time a significant warning as to campaign funds:

> To avoid misunderstanding, it has been thought best to distinctly declare that the Conservative party will receive subscriptions only from those who favour its general policy, that such subscriptions are not to be understood as creating claims to consideration for any interest likely to be affected by any special feature of that policy, and that no subscriptions are solicited from any such interest. Such a declaration is deemed desirable in order that the Leader may have an absolutely free hand in framing his policy in the interest of the whole country upon the return of the party to power. If any subscriptions have been given in other spirit they will be returned on application to James Crathern, Treasurer, Montreal.

After further and continued silence on Mr. Blair's part the

St. John *Times*—one of the supposed organs of the alleged plot—stated on Nov. 1st that it was only "sudden illness in Mr. Blair's family that prevented him from taking the stump." Meanwhile, on Sunday, Oct. 23rd, it was stated in Ottawa, and never denied, that Sir Wilfrid Laurier had called on Mr. Blair at his hotel and held a long conversation with him. What passed was not made public but what everybody did know was that from Oct. 19th, when the resignation of Mr. Blair occurred and the rumoured sale of *La Presse* (really made on Oct. 12th) became generally known, until the elections were over on Nov. 3rd, no actual result of all these moves and sensational incidents was visible. The two St. John papers were active in opposition to the Government's railway policy and that city in the end went Conservative; *La Presse* was practically neutral and Mr. Blair remained a political sphinx. Looking at the affair after the event, and in view of the expected climax not having been reached, it seems probable that its effect throughout the country was not injurious to the Government. In St. John and New Brunswick, generally, it no doubt had a local influence but not much greater than Mr. Blair's original departure from the Government and elimination from the organizing work of his party would have had in any case.

Party Promises to the Constituencies

What actually constitutes a public bribe on the part of a Government or an Opposition may be left to the academic consideration of those who delight in ethical problems. How far party promises of a local or specific character may influence constituencies during a general election can also be left for decision at the hands of practical politicians—Liberal or Conservative. That there was a great deal of this sort of thing current during the elections of 1904 (as in other contests) requires no proof here but it will be of value to record briefly the character of some of the promises or pledges made throughout the country—leaving deductions and conclusions to be drawn by those who may be interested.

It goes without saying that the Grand Trunk Pacific was a great agency for the expected enrichment of particular towns and villages and constituencies. It was the Government's most considerable promise to the electorate and, though it comes under the head of party promises, can hardly be discussed otherwise than as a matter of public policy. Exception was taken, however, during the elections to the specific promise of a large contract for locomotives given to the Westinghouse Company in Hamilton and another for air-brakes to the Locomotive Works at Kingston. On Sept. 15th, two weeks before Dissolution, it was announced at Ottawa in a letter from the acting Minister of Public Works that the pay of mechanics in the Department's employ would be raised along specified lines and in response to the local members' persistent efforts. On Oct. 22nd the *Globe* stated, in an Ottawa despatch, that the coming into force of the new Militia Act would

provide for about 25 per cent. increase in the pay of the Militia. On the 31st it was announced in the same way that the Permanent Corps were to receive increases in pay ranging from 25 to nearly 90 per cent. and the old and new rates were clearly outlined.

Passing from these interesting and, no doubt, legitimate actions of the Government we come to various cries, or promises, or stated performance, in the constituencies. "Vote for the Laurier project," said *Le Canada* on Sept. 9th, "and the expenditure of $50,000,000 in the Province of Quebec." In far-away Vancouver Mr. R. G. Macpherson, on Oct. 28th, explained to an audience that he had succeeded in getting, or helping to get, the Government to buy property in the city worth $52,000; to guarantee three per cent. interest for 20 years on the cost of a dry-dock up to $1,000,000; to place in the estimates $100,000 for the construction of new Federal buildings in Vancouver. He hoped soon to have the contract signed for a new Government dredge costing $85,000, and felt that these facts deserved consideration from the electors. In Ottawa both sides made promises. The Hon. Mr. Belcourt claimed to have succeeded in getting the pay of Public Works employees increased, while Mr. Birkett, on Oct. 27th, denounced the Government for withholding over $400,000 in statutory increases from the Civil Service and promised, if elected, to support the restoration of these increases and their automatic continuance to permanent employees. The Liberal candidates also promised new public buildings and published Lord Dundonald's objection to the present erection of a new Armoury.

In Kingston much was made of the Locomotive order on account of the Grand Trunk Pacific and the *Whig,* on Oct. 29th, described the business given to this industry by Conservative Governments as totalling $78,000 and by the Liberal Government as being $1,224,800. It recorded various grants such as those to the Armouries, the Barracks, the Rideau Canal improvement and concluded with an appeal to the electors to "keep both hands on the Locomotive Works." In Toronto Mayor Urquhart promised certain improvements and public works during his campaign tho' the *Star* on Nov. 5th declared that these were not offered in any sense as a bribe but would be carried out even if five Conservatives were elected in that Tory centre. Another incident of the contest in Toronto was the telegram sent by Mr. H. H. Dewart, the Liberal candidate in the South Riding, telling the Minister of Militia (Oct. 18th) that "considerable uneasiness" existed regarding the increase of pay for Permanent Corps men who had been in the War. The Minister's reply stated that the new Militia Act would be proclaimed immediately and the increased pay come into force at once. Mr. Hugh Guthrie stated in Guelph, on Nov. 1st, that he had obtained an addition to the Post Office and new Armouries for the city which he expected would cost $100,000. He hoped also to obtain free mail delivery in the future and the construction of a new rifle range outside the city costing $20,000.

The Liberal candidate in Algoma (Mr. Dyment) advised his constituents that in 8 years he had secured them appropriations for wharves, dredging and public buildings amounting to $2,500,000 and railway subsidies totalling $3,500,000. "If you wish Algoma to get her share of expenditures show it by voting for Mr. Dyment," was the cry. In Victoria, B.C., the *Times* of Nov. 2nd stated that Mr. George Riley had saved the city $80,000 through securing a Government dredge, had obtained a raise in the salaries of local civil servants of the Dominion and got the Government to assume the cost of the Assay Guarantee Fund. "Vote for the man who does things" was its platform in this connection. Coming back to Ontario the Port Burwell *Packet* referred to the Government chest as overflowing with money which would be spent on railways, harbours and Government buildings. "The Port will get this expenditure that sends an able representative of the Government to Parliament." In Collingwood the *Bulletin* appealed for Mr. L. G. McCarthy in this style: "Why should the Tories place party before our Harbour?" It asked for his re-election so that this work might be completed.

In Stratford the advertisements for tenders for a new Armoury appeared shortly after the Dissolution and also in Woodstock. The latter constituency had a normal Liberal majority of 1,500, however, so that the keenest enemy of the Government could hardly find a corrupt purpose in this. The Hon. Mr. Hyman, in London, was assailed by the Conservatives for not having got a new breakwater for the city. In Winnipeg a new branch Post Office and improvements in St. Andrew's Rapids appeared on the scene of contest; in West Northumberland a dredge was welcomed to the harbour at Cobourg; in Simcoe Mr. H. B. Donly was able to promise $50,000 more on account of the Post Office; in the Prince Edward Island constituencies promises were made of lower telegraph rates and a night service; on the Welland Canal the employees received an increase of wages as did the labourers at the Experimental Farm in Ottawa. The *Mail and Empire* of Oct. 31st declared that in 50 constituencies Liberal candidates were appealing for election on the ground of important concessions which they might obtain from the Laurier Government and it instanced "Mr. Aylesworth and the Canal" in Durham, "Mr. Eastwood and Harbour improvements" in Hamilton and "Mr. Urquhart and the Bridge" in Toronto.

Meanwhile, whatever the truth of these allegations or the tendency of the policy described, the Conservatives were not altogether clear of similar transactions. At Peterborough on Oct. 8th the Opposition Leader declared that both parties were committed to expenditures upon the Trent Valley Canal and expressed his belief that there was "every reason to urge the very earliest possible completion of that system of inland waterways" of which the projected Canal formed a part. Nothing was said about the outlet at Port Hope, but on Oct. 27th, Colonel Ward read a

letter from Mr. Borden in the following terms: "In reply to your inquiry as to the Trent Valley Canal, I may say the question of outlet requires, and will receive, the most careful consideration. The relative expense, convenience and advantages of the different routes must be determined before any decision is arrived at. This, in my opinion, will require surveys of the various proposed routes and a comparison of the results thus obtained." To the electors of Quebec Centre Division, W. A. Virge, the Conservative candidate, addressed an appeal in which occurred the following passage: "The interests of Quebec shall always be very near to my heart, and I shall work to the best of my ability for the greater development of this magnificent harbour of ours." To Mr. J. B. Archambault, Conservative candidate in Chambly-Verchéres, Mr. Borden addressed the following letter under date of Oct. 17th and it may conclude this treatment of an interesting phase of the contest:

My attention has been directed to the unsatisfactory condition of the South Shore Railway and to the fact that it does not adequately supply the requirements of the district which it was intended to develop. Let me assure you that upon the return of the Conservative party to power it will take up this question without delay and will give it all that consideration which the importance of the road and the increasing necessities of the district demand. Your electors will realize how thoroughly the Conservative party has at heart the interests of the country in making provision for all the necessary facilities of transportation so far as the resources of the country will justly permit.

Miscellaneous Incidents of the Campaign

Meanwhile the contest had been proceeding on the platform and in the press with much vigour; though there was too much confidence on the Liberal side to render it as exciting a conflict as that of 1891 or 1896. In Ontario the Hon. G. W. Ross spoke upon one or two occasions in support of his party and the Hon. G. P. Graham aided in organizing work, but the Provincial Government did not as a whole take part; and Mr. J. P. Whitney's speech at the Borden meeting in Toronto was his only intervention on behalf of the Opposition. In Quebec there was no active intervention by the Parent Government though its organizing influences were no doubt at the service of the Federal party. An incident of the campaign which must be mentioned here was the part taken by Sir Mackenzie Bowell in speeches at Picton, Belleville and Tweed. It was not a very considerable part but it seemed to show, for the moment, that old-time feelings regarding the party troubles of 1895 were subdued. At Belleville, on Oct. 27th, Sir Mackenzie proclaimed himself opposed to the Government operation of railways though in favour of Government ownership. When, however, the roads were operated by an independent Commission, as Mr. Borden proposed, the issue might, he said, be very different. Another incident of the contest in Ontario was a denunciation of the Government for extravagance by Mr.

Lockie Wilson, President of the Farmers' Association of Canada (Toronto, Sept. 7th).

Some of the Liberal speakers in Ontario who may be mentioned, outside of the Dominion Premier and the Hon. Mr. Paterson, were Senator H. J. Cloran, who came up from Montreal and delivered an important speech* in Toronto, Sir William Mulock, who spoke at various points, Mr. N. W. Rowell, K.C., and Mr. A. T. Hunter. The speeches of Mr. Hunter, in particular, charmed the Toronto public with their caustic cleverness. On the Conservative side Mr. J. P. Downey, M.L.A., made an eloquent speech at Toronto on Oct. 28th; the Hon. George E. Foster spoke at several places outside of Toronto and at Orillia on Oct. 31st; Mr. G. T. Blackstock, K.C., gave one of his old-time addresses at Kingston on the same date. There were very many others on both sides but these were perhaps the most prominent. The Labour vote in these two Provinces divided largely, as it did everywhere, on party lines, although the bulk of the leaders, in Ontario at least, were Liberals. There were exceptions, of course, and in the Montreal *Star* of Oct. 20th appeared interviews with Messrs. John A. Flett, D. A. Carey of Toronto and James Wilson, Editor of the *Toiler,* all declaring that Labour men were bound to support Mr. Borden's policy of Government ownership. In the same paper on Nov. 1st there was published a list of some thousand signatures —said to be of workmen—to a document pledging support to Mr. Borden's policy of "adequate protection and adequate wages."

In the Maritime Provinces the Local Governments did not go into the contest with anything like the force of those in the West. Some of the Ministers spoke, of course, but the bulk of the party fighting was done by Messrs. W. S. Fielding and H. R. Emmerson. The latter devoted himself to New Brunswick and the former mainly to Nova Scotia although he spoke at Charlottetown on Nov. 1st. His Halifax meeting was held on the following day. A notable feature of the contest in this part of the country was the Opposition's claim that Mr. Fielding did not resign from the Cabinet with Mr. Blair because he was promised the Premiership in succession to Sir Wilfrid Laurier.† No doubt this argument cut more ways than one. Apart from Mr. Borden's speeches the chief Conservative help in these Provinces from the outside was the tour of Messrs. T. Chase-Casgrain of Montreal and E. F. Clarke of Toronto. They spoke at Amherst, N.S., on Sept. 26th, at Springhill on the 27th and at other meetings (including Annapolis on Oct. 1st) until the Dissolution brought them back to their own ridings. In Halifax, it is interesting to note the chief newspaper point of the local campaign against Mr. Borden:‡

On the eve of one of the most important contests in the history of our country the candidates of the Liberal party desire to impress upon

* NOTE—A *verbatim* report appeared in the Toronto *Star* of Nov, 1st.
† NOTE—*Vide* St. John *Daily Telegraph* of Nov. 2nd, in black letters. occupying half a page.
‡ NOTE—Halifax *Chronicle.* Large type, front page, Nov. 2nd.

the Electors of the City and County of Halifax the importance of their decision on the chief issues before the people of this metropolitan constituency. The general record of the Government of Sir Wilfrid Laurier cannot be successfully assailed, and its tariff policy has worked to the great advantage of all classes of the whole people. The building of the National Trans-continental Railway, running from ocean to ocean, every foot on Canadian soil, is of vital interest to every citizen of Halifax. Twenty years or more we have waited for a short line of railway running direct from our peerless port to the great wheat fields of the West and forming the shortest highway to the Orient. The Liberal Government has at last offered us that boon. Now is our opportunity.

The issue in the Western Provinces brought out all the prominent speakers on either side. In Manitoba the Conservative Government threw themselves heart and soul into the contest and Mr. Premier Roblin, the Hon. C. H. Campbell, the Hon. Robert Rogers and the Hon. J. H. Agnew each addressed a series of meetings in aid of Conservative candidates. Sir Charles Tupper, who was now living in Winnipeg, exercised his old-time energy in writing letters—Winnipeg *Free Press* of Oct. 18th, 26th, 27th and the Toronto *News* of Nov. 2nd. He also addressed a brief letter to the Premier correcting some statements regarding the Intercolonial Railway. In the letter to the *News* he denounced Sir Wilfrid Laurier for diplomatic incapacity in the Alaskan affair; declared that the Government "have never made a pledge to the people which they have not broken," claimed that it was the original Conservative policy which was now making the country prosperous; and placed the Preferential trade issue as really the first and most important one in the present campaign. Others who took an active part in this Province were Messrs. Isaac Campbell, K.C., and J. A. M. Aikins, K.C., on the Liberal side and the Hon. Hugh John Macdonald on the other. The Hon. Mr. Greenway and the Hon. Mr. Sifton confined themselves, in the main, to their constituencies although they both spoke in Winnipeg on Oct. 10th.

There were several important meetings in Winnipeg. The first was on Oct. 6th when the Provincial Premier and Mr. Sanford Evans, the Conservative candidate, addressed a mass-meeting. Public ownership of the Grand Trunk Pacific was the main issue of the speeches with Mr. Chamberlain's policy as a far-away second. On Oct. 10th Mr. Sifton, Mr. Greenway and Mr. D. W. Bole, the Liberal candidate, held a crowded meeting. The Minister of the Interior at great length reviewed the whole policy of the Government in connection with the tariff, immigration, transportation and legislation generally. The Grand Trunk Pacific issue was declared to be one of tearing up the Contract and of delay for years, if not for ever, as against immediate construction and consequent increase of prosperity. Two days later Sir Charles Tupper and Mr. Sanford Evans addressed another mass-meeting and the candidate read two important communications from Mr. Borden. One was a despatch dated that day and

denying recent statements by Mr. Sifton: "I believe that by extending the Intercolonial and eliminating political interference, operation of Government railway can be made successful." The other was a letter dated Aug. 29th endorsing the views expressed by the Winnipeg *Telegram* and proceeding as follows:

> The main feature which we should present is that as the country pays nine-tenths of the cost it should go one step further and own the whole road. Public attention should not be too much distracted from that vital feature of our attack. There is to be a new Trans-continental Railway, which is to connect Winnipeg with the East and with the West. Under our policy the country will not only pay for but own that Railway and will control its rates. The present Opposition, if returned to power, will take more definite steps and more active means to locate that Railway—in the most favourable places—than any which have hitherto been apparent on the part of the Government.

The last of these gatherings was addressed by Sir Richard Cartwright and was probably the final appearance in the West of an historical character in Canadian campaigns—at least as an aggressive figure. He had already spoken at Fort William on Oct. 20th and was also to speak at Cobourg on the 31st. He dealt at length with the past and present position of Canada and clearly indicated its great present prosperity. Other speakers were Mr. Bole and Mr. Isaac Campbell. In the Territories, meanwhile, Mr. F. W. G. Haultain, the Conservative Premier of a non-party Government, threw himself into the fight with great activity and was supported by Mr. R. B. Bennett, M.L.A., and others. Mr. Premier McBride of British Columbia, accompanied by the Hon. R. F. Green, made a tour of his Province and did what he could to ensure the return of Conservative candidates. Sir Charles Hibbert Tupper also addressed various meetings—including an important one at Victoria on Oct. 19th.* Mr. George H. Cowan of Vancouver was another prominent speaker while Messrs. C. H. Lugrin and W. W. B. McInnes did campaign work on the Liberal side. Senator Templeman was the most important, however, of the Government speakers and to his influence was credited much of the result. To him, on Oct. 23rd, Mr. R. E. Goswell, Editor of the *Colonist,* addressed an open letter defending certain statistical statements which he had made while holding the post of Provincial Statistician. Incidentally he accused the Senator of evading the main issue of "Better terms" which he believed the people were demanding from Ottawa.

Party Changes and Expectations

During this contest there were the usual number of changes in party allegiance. Two important Liberal conversions—Mr. Joseph Tassé, the Montreal Cigar manufacturer, and Mr. George E. Tuckett, the Hamilton Tobacco manufacturer, were admittedly due to Mr. Brodeur's anti-tobacco trust legislation. Mr. James Coristine of Montreal was a prominent convert to the Railway policy as was

* NOTE—A lengthy and *verbatim* report appeared in the Victoria *Colonist* of Oct. 23rd.

Mr. H. A. Mullins, formerly a Conservative member of the Manitoba Legislature. For various reasons Mr. G. H. Vernon of Truro, N.S., Mayor Palmer of Fredericton, N.B., Mr. T. G. McMullen, formerly a Conservative member of the Nova Scotia Legislature, Mr. Alex. Wilson, ex-Warden of Cumberland County, N.S., and Mr. E. A. Burbank, of Solsgirth, Man., were more or less prominent converts to Liberalism during the campaign.

On the other side there were also a number of influential conversions—notably in St. John, N.B., where Mr. James F. Robertson, Mr. T. J. McPherson, Mr. James Kennedy, Mr. D. J. McLaughlin, President of the Board of Trade, Mr. Howard D. Troop, Mr. James Pender and Mr. George McKean were said to have changed their party allegiance. Other changes in the Maritime Provinces from Liberal to Conservative support were Lieut.-Col. Bethune, ex-M.P., for Baddeck, C.B., Mr. R. H. Butts of the same Island, Dr. J. Gordon Bennett and Mr. W. B. Ross of Halifax, and Mr. John Hay in Colchester, N.S. In the other Provinces Messrs. Wm. Studdart of Deseronto, John W. Smith of Winona, J. C. Mundell of Elora, Mayor Wm. Munro of Thorold and Mr. Frank Leeming of Brantford were some Ontario converts to Conservatism; while the names of Mr. Alex. McDonald of Winnipeg, Mr. Edward Anderson, ex-Reeve of Springfield and Mr. J. K. McLennan of Treherne, marked some Manitoba changes in party allegiance.

Both parties appeared to be extremely hopeful, if not certain, of the result. The Liberals, of course, had the most ground for this feeling in a very general impression that the "good times" and a "solid Quebec" would result in their return to power. Something of the Conservative hopefulness was, no doubt, a "whistling to keep their courage up" but, none the less, they had assurances, which seemed weighty, of substantial gains in Quebec, New Brunswick and the West. Sir Charles Tupper spoke with his usual optimism to the press, on Sept. 18th, when he expressed confidence that the Conservatives would be returned to power by "a substantial working majority." Mr. Joseph Martin, K.C., a Vancouver Liberal, told a Winnipeg paper on Oct. 14th that he had never seen the British Columbia Conservatives so confident of victory. "They have splendid organization and are very strong. The situation in the Provincial House will be in their favour. The Conservative party is in power there and, although it was thought that it would not be for long, it has grown in strength."

The Toronto *Mail and Empire* of Oct. 29th summarized the situation as showing a probable Conservative representation from Quebec of at least 25; a majority from Ontario of 18; a majority of 6 from the Maritime Provinces through Mr. Blair's defection and Mr. Borden's leadership; and a majority of 12 from the electorate west of Lake Superior. Mr. Henry Dalby, formerly

Conservative organizer in Quebec Province, in the *Herald* of Oct. 25th conceded the Government a majority of 25 and the Conservatives 12 seats from Quebec. In *La Patrie,* of Oct. 31st, the Hon. Mr. Tarte conceded the Opposition 15 seats in Quebec with 20 as a possibility. The Ottawa *Citizen* analyzed the probable vote by Provinces with a total majority of 12 for Mr. Borden while the Conservative Leader, himself, wired the Hon. Robert Rogers at Winnipeg on Nov. 1st as follows: "Prospects bright and improving every hour. Our friends are assured of substantial majority in Maritime Provinces. Private reports from all over Dominion most encouraging." *L'Evenement,* the Quebec City Conservative paper, estimated on Oct. 26th a majority of 31 for Mr. Borden.

On the Liberal side there was apparent certainty as to the general result, while the *News* of Toronto gave an independent analysis of the constituencies on Oct. 27th which indicated for the Government a majority of 42. Much Liberal confidence was expressed that the Redistribution Act would change the situation in Ontario and even result in a Government majority from that Province. Mr. Arthur Kendall, ex-M.P., for Cape Breton, wired the *Globe* on Oct. 27th the belief that the very best the Conservatives could do in Nova Scotia would be the holding of 4 seats while the Hon. Mr. Peters, Premier of Prince Edward Island, told the Winnipeg press on Nov. 2nd that the Conservatives could not carry a seat in his Island. The Hon. Mr. Fielding expressed the opinion for publication on the eve of the elections that the Liberals would have a great victory in Nova Scotia where the Opposition had not a seat which could then be considered safe. Mr. Alex. Smith, the Liberal organizer for so long in Ontario, gave out a forecast on Nov. 1st which allotted the Government 44 seats in Ontario, 53 in Quebec, 13 in Nova Scotia, 6 in New Brunswick, 4 in Manitoba, 5 in British Columbia, 2 in Prince Edward Island, 7 in the Territories and 1 in the Yukon—a total majority of 56 in the House. The Toronto *Globe* of the same day thought the Government might carry 46 seats in Ontario against 40 for the Opposition.

The Result of the Electoral Struggle

The contest ended on November 3rd with a clear and decisive indication of public approval and support for the Laurier Government. The majority was over 60, with seven other seats in which polling had been delayed and where, in most cases, the Government of the day might fairly expect to win. Quebec went Liberal by 41 to 12; Ontario remained Conservative by 48 to 38; Nova Scotia showed a clean sweep of 18 seats for the Liberals; New Brunswick stood 7 Liberals and 6 Conservatives; Prince Edward Island gave the Conservatives 3 seats and the Liberals one; Manitoba went 5 Liberals and 4 Conservatives; the Territories showed an almost Liberal sweep of 8 to one with two seats to hear from;

and British Columbia ultimately gave the Government all its seats; while the Yukon afterwards went Conservative.

One outstanding feature of this result was the dominating influence of the Hon. W. S. Fielding in Nova Scotia and the consequent defeat of Mr. R. L. Borden, the Opposition Leader, in his own home at Halifax—a constituency which he had represented since 1896 and which had returned two Liberals only twice before in the nine elections since Confederation. This was the first time in the history of the Dominion that one of the larger Provinces had been swept for one party without a single representative of the other being elected and the incident was naturally calculated to add to the *prestige* of Mr. Fielding and to increase his influence as the expected successor of Sir Wilfrid Laurier in the future Liberal Leadership. Mr. Borden's defeat was due to several causes besides the undoubted organizing skill and popularity of the Finance Minister. His prolonged and frequent absences from the constituency during the preceding two years, and his entire disregard of any personal interests while devoting himself during the actual campaign to speeches and work in Ontario, Quebec and various other constituencies of the Maritime Provinces, were very considerable causes; while the popularity of the Grand Trunk Pacific project in a city which hoped to be one of its terminals was another strong reason. A third was found by Conservatives in various charges as to heavy expenditure of money by Corporate and Government influences, but as to this no accurate data can be given. A fourth was found in the condition of the voters' lists and the larger number of names recently placed thereon by the Liberals.

As in the 1900 elections a prominent feature was the defeat of Conservative leaders. In the first-mentioned contest Sir C. Tupper, Hon. Mr. Foster, Hon. H. J. Macdonald, Hon. A. R. Dickey, Hon. Dr. Montague, Hon. A. R. Angers, Hon. Peter White and Hon. L. O. Taillon were all defeated at the polls and in the latter Mr. Borden found himself in company with Mr. A. C. Bell in his own Province, and with the Hon. T. Chase-Casgrain and Mr. R. H. Pope in Quebec. Mr. M. F. Hackett failed to win a seat in Stanstead. In Ontario Mr. James Clancy was defeated and in British Columbia the Hon. E. G. Prior, formerly a Conservative Minister, failed in his effort to carry Victoria; while the defeat of Mr. Nat. Boyd and Mr. A. A. C. Lariviére in Manitoba, of Mr. James Kendry in Peterborough, Ontario, and of Mr. Seymour E. Gourley in Nova Scotia, removed well-known figures from the Conservative side of the House.

On the other hand the Liberals had a few distinctive set-backs. Mr. A. B. Aylesworth failed in his effort to capture Durham; Mayor Urquhart was foiled in a strong attack upon the northern portion of Tory Toronto and upon the eloquent entrenchments thrown up by Mr. Foster; Lieut.-Col. A. T. Thompson, one of the

rising men on his side of the House and an authority in Militia matters, was beaten in Haldimand; the Hon. H. A. McKeown, K.C., once again failed to capture St. John; while the Hon. Mr. Hyman only just pulled through in London and Toronto remained entirely Conservative by substantial majorities. Sir Richard Cartwright, Mr. John Charlton and Mr. M. K. Cowan, K.C., had, for various reasons, retired from the House.

As the returns became complete they illustrated the substantial character of the Government victory in majorities as well as in the members elected. In Nova Scotia the majorities with one exception, were all large and ranging from 1,700 for Sir Fred. Borden, in Kings, downward. Even in Ontario most of the Liberal seats were held or won by substantial votes; notably in Ottawa where Messrs. Belcourt and Stewart surprised even themselves with a sweeping majority of 1,400. In Quebec the Liberal majorities were very large. Mr. H. S. Beland in Beauce had over 2,000; Mr. L. Lavergne in Drummond-Arthabaska over 2,100 plurality; the Hon. Mr. Prefontaine in Maisonneuve had 2,300 majority; Mr. Camille Piché in Montreal nearly 1,000 and Mr. H. Gervais over 1,300; Sir W. Laurier in Quebec East had over 2,000 majority and the Hon. Mr. Fitzpatrick in Quebec County a similar one; Mr. E. W. Tobin in Richmond-Wells had over 1,300 and Mr. L. P. Demers in St. John's-Iberville 1,800 majority; Mr. C. A. Gauvreau in Temiscouata had 1,000 majority and Sir W. Laurier in Wright County 1,100. Twenty-four other Liberals in Quebec had majorities running from 300 to 800, while Mr. Charlemagne Laurier was elected by acclamation in L'Assomption owing to the retirement of his opponent.

In New Brunswick also the majorities were large, with one exception and running from 1,100 for the Hon. Mr. Costigan downward. Manitoba gave the Hon. Mr. Sifton a majority of over 600 in Brandon, while in the Territories Mr. Frank Oliver had the banner majority of the Dominion in defeating Mr. Richard Secord by 2,000. Mr. R. G. Macpherson won a considerable victory in Vancouver, which had previously gone Conservative in the Provincial elections, by winning a majority of over 800. Mr. George Riley in Victoria won by over 500. The cities as a whole went into the Liberal column. The Government carried all the seats in Montreal, but one, together with Ottawa, Halifax, Kingston, London, Winnipeg, Quebec, Vancouver, Victoria, Brockville, New Westminster, and Peterborough, while the Conservatives held Toronto, one seat in Hamilton and in Montreal, and won in Brantford and St. John. The Conservative majorities in Toronto, with one exception, were large and included 2,132 for Mr. A. E. Kemp and 1,883 for Mr. E. B. Osler. St. John, N.B., also gave Dr. J. W. Daniel over 1,100 of a majority. The popular vote, apart from individual constituencies and majorities, showed the usual peculiarities and was as follows:

Province.	Liberal.	Conservative.	Independent.
Ontario	213,388	217,829	2,653
Quebec*	146,518	110,268	500
Nova Scotia	54,873	46,298	2,479
New Brunswick	37,302	35,501	138
Prince Edward Island	14,441	14,986	....
Manitoba†	22,413	21,700	1,293
North-West Territories	27,173	19,347	136
British Columbia	12,450	9,774	2,953
Totals	528,558	475,703	10,152

The Liberals, therefore, had a popular majority over the Conservatives of about 50,000 votes. All the Ministers had large personal majorities. The Conservatives rejoiced over the result in Toronto and especially as to Mr. Foster's return to the House. They found comfort in the victory at St. John, the election of Mr. A. A. Stockton, K.C., for St. John County, the success of Mr. O. S. Crockett in York, N.B., the victory of Mr. H. B. Ames in Montreal and of Dr. A. N. Worthington in Sherbrooke, the success of the Hon. Peter White in Renfrew, the victory of Mr. W. F. Cockshutt in Brantford and of Mr. J. G. H. Bergeron in Beauharnois. These were all strong men. The Liberals in the new House also had some excellent new blood and of this Nova Scotia contributed Mr. F. A. Lawrence and Mr. E. M. Macdonald in paticular; Manitoba, Mr. Thomas Greenway and Mr. D. W. Bole; Ontario, Mr. D. Derbyshire; Quebec, Messrs. Camille Piché and G. W. Parent; New Brunswick, Mr. F. B. Carvell. The Minister of Agriculture won a pronounced success in contributing to the defeat of Mr. R. H. Pope in Compton which since 1857 had been represented by a member of that family and a Conservative. A remarkable feature of Mr. Ames' success in Montreal was the absolutely unique system of organization which he had developed to a condition of practical perfection. Following the elections came the usual aftermath of protests. When the time limit had expired it was found that the Conservatives had protested 21 seats including those of the Hon. Mr. Fielding, Sir F. Borden, the two Halifax members, the Hon. Mr. Sifton, the Hon. Mr. Greenway, and Mr. Bole in Winnipeg; while the Liberals had protested ten seats including those of Colonel Tisdale and Ald. Ames. The names of the members elected, with their politics, were as follows:

ONTARIO—

Constituency.	Member Elected.	Politics.
Algoma, East	A. E. Dyment	Lib.
Algoma, West	A. C. Boyce	Cons.
Brant	Hon. W. Paterson	Lib.
Brantford	W. F. Cockshutt	Cons.
Brockville	D. Derbyshire	Lib.
Bruce, North	L. T. Bland	Cons.
Bruce, South	P. H. McKenzie	Lib.

* NOTE—Figures, in part, from newspapers, and therefore not official, though approximately correct. Gaspé not included and L'Assomption went by acclamation.

† NOTE—Dauphin election by acclamation and not included.

ONTARIO—*Continued.*

Constituency.	Member Elected.	Politics.
Carleton	Ed. Kidd	Cons.
Dufferin	John Barr	"
Dundas	A. Broder	"
Durham	H. A. Ward	"
Elgin, East	A. B. Ingram	"
Elgin, West	W. Jackson	"
Essex, North	R. F. Sutherland	Lib.
Essex, South	A. H. Clarke	"
Frontenac	M. Avery	Cons.
Glengarry	J. T. Schell	Lib.
Grenville	J. D. Reid	Cons.
Grey, East	Dr. T. S. Sproule	"
Grey, North	W. P. Telford	Lib.
Grey, South	H. H. Miller	"
Haldimand	F. R. Lalor	Cons.
Halton	D. Henderson	"
Hamilton, East	S. Barker	"
Hamilton, West	A. Zimmerman	Lib.
Hastings, East	W. B. Northrup	Cons.
Hastings, West	E. Guss Porter	"
Huron, East	T. Chisholm	"
Huron, South	B. B. Gunn	"
Huron, West	E. N. Lewis	"
Kent, East	D. A. Gordon	Lib.
Kent, West	H. S. Clements	Cons.
Kingston	Hon. W. Harty	Lib.
Lambton, East	J. E. Armstrong	Cons.
Lambton, West	T. G. Johnston	Lib.
Lanark, North	T. B. Caldwell	"
Lanark, South	Hon. J. G. Haggart	Cons.
Leeds	Geo. Taylor	"
Lennox and Addington	Uriah Wilson	"
Lincoln	E. A. Lancaster	"
London	Hon. C. S. Hyman	Lib.
Middlesex, East	Peter Elson	Cons.
Middlesex, North	Valentine Ratz	"
Middlesex, West	W. S. Calvert	Lib.
Muskoka	Wm. Wright	Cons.
Nipissing	C. A. McCool	Lib.
Norfolk	Hon. David Tisdale	Cons.
Northumberland, East	Ed. Cochrane	"
Northumberland, West	J. B. McColl	Lib.
Ontario, North	G. D. Grant	"
Ontario, South	Peter Christie	Cons.
Ottawa City	Hon. N. A. Belcourt	Lib.
" "	Robert Stewart	"
Oxford, North	Hon. James Sutherland	"
Oxford, South	M. S. Schell	"
Parry Sound	R. J. Watson	"
Peel	Richard Blain	Cons.
Perth, North	A. F. MacLaren	"
Perth, South	G. H. McIntyre	Lib.
Peterborough, East	John Finlay	"
Peterborough, West	R. R. Hall	"
Prescott	Edmund Proulx	"
Prince Edward	G. O. Alcorn	Cons.
Renfrew, North	Hon. Peter White	"
Renfrew, South	A. A. Wright	Lib.
Russell	N. F. Wilson	"
Simcoe, East	W. H. Bennett	Cons.
Simcoe, North	L. G. McCarthy	Ind. Lib.
Simcoe, South	Haughton Lennox	Cons.
Stormont	R. A. Pringle	"

ONTARIO—*Continued.*

Constituency.	Member Elected.	Politics
Thunder Bay and Rainy River	James Conmee	Lib.
Toronto, Centre	E. F. Clarke	Cons.
Toronto, East	A. E. Kemp	"
Toronto, North	Hon. G. E. Foster	"
Toronto, South	A. C. Macdonell	"
Toronto, West	E. B. Osler	"
Victoria and Haliburton	S. Hughes	"
Waterloo, North	J. E. Seagram	"
Waterloo, South	G. A. Clare	"
Welland	W. M. German	Lib.
Wellington, North	T. Martin	"
Wellington, South	Hugh Guthrie	"
Wentworth	E. D. Smith	Cons.
York, Centre	A. Campbell	Lib.
York, North	Sir Wm. Mulock	"
York, South	W. F. Maclean	Cons.

QUEBEC—

Argenteuil	G. H. Perley	Cons.
Bagot	J. E. Marcil	Lib.
Beauce	H. S. Béland	"
Beauharnois	J. G. H. Bergeron	Cons.
Bellechasse	O. E. Talbot	Lib.
Berthier	J. E. Archambault	"
Bonaventure	Charles Marcil	"
Chambly and Verchères	Victor Geoffrion	"
Champlain	J. A. Rousseau	"
Charlevoix	Rodolphe Forget	Cons.
Chateauguay	J. P. Brown	Lib.
Chicoutimi and Saguenay	Jos. Girard	Ind. Cons.
Compton	A. B. Hunt	Lib.
Dorchester	J. B. Morin	Cons.
Drummond and Arthabasca	L. Lavergne	Lib.
Gaspé		
Hochelaga	L. A. A. Rivet	Lib.
Huntingdon	R. N. Walsh	Cons.
Jacques Cartier	F. D. Monk	"
Joliette	J. A. Dubeau	Lib.
Kamouraska	E. Lapointe	"
Labelle	Henri Bourassa	"
Laprairie and Napierville	Roch Lanctot	"
L'Assomption	R. C. Laurier	"
Laval	J. E. E. Leonard	Cons.
Lévis	L. J. Demers	Lib.
L'Islet	Eugene Paquet	Cons.
Lotbiniére	E. Fortier	Lib.
Maisonneuve	Hon. R. Prefontaine	"
Maskinongé	H. Mayrand	"
Megantic	F. T. Savoie	"
Missisquoi	D. B. Meigs	"
Montcalm	F. O. Dugas	"
Montmagny	A. Lavergne	"
Montmorency	G. W. Parent	"
Montreal, Ste. Anne's	Dan. Gallery	Lib.
Montreal, St. Antoine	Ald. H. B. Ames	Cons.
Montreal, St. James	H. Gervais	Lib.
Montreal, St. Lawrence	R. Bickerdike	"
Montreal, St. Mary's	Camille Piché	"
Nicolet	Hon. R. Lemieux	"
Pontiac	G. H. Brabazon	Cons.
Portneuf	M. S. Delisle	Lib.
Quebec, Centre	A. Lachance	"

QUEBEC—*Continued.*

Constituency.	Member Elected.	Politics.
Quebec, East	Sir Wilfrid Laurier	Lib.
Quebec, West	Wm. Power	"
Quebec County	Hon. Charles Fitzpatrick	"
Richelieu	A. A. Bruneau	"
Rimouski	J. A. Ross	"
Rouville	Hon. L. P. Brodeur	"
St. Hyacinthe	A. M. Beauparent	"
St. John's-Iberville	L. P. Demers	"
Shefford	C. H. Parmelee	"
Sherbrooke	A. N. Worthington	Cons.
Soulanges	A. Bourbonnais	Lib.
Stanstead	Henry Lovell	"
Temiscouata	C. A. Gauvreau	"
Terrebonne	S. Desjardins	"
Three Rivers-St. Maurice	Jacques Bureau	"
Two Mountains	J. A. C. Ethier	"
Vaudreuil	G. Boyer	"
Wright	Sir Wilfrid Laurier	"
Yamaska	J. E. O. Gladu	"

NOVA SCOTIA—

Annapolis	S. W. W. Pickup	Lib.
Antigonish	C. F. McIsaac	"
Cape Breton, North, and Victoria	D. D. Mackenzie	"
Cape Breton, South	Alex. Johnston	"
Colchester	F. A. Lawrence	"
Cumberland	H. J. Logan	"
Digby	A. J. S. Copp	"
Guysborough	J. H. Sinclair	"
Halifax	Wm. Roche	"
Halifax	Michael Carney	"
Hants	J. B. Black	"
Inverness	Angus McLennan	"
King's	Sir F. W. Borden	"
Lunenburg	A. K. McLean	"
Pictou	E. M. Macdonald	"
Richmond	D. Findlayson	"
Shelburne and Queen's	Hon. W. S. Fielding	"
Yarmouth	B. B. Law	"

NEW BRUNSWICK—

Carleton	F. B. Carvell	Lib.
Charlotte	G. W. Ganong	Cons.
Gloucester	O. Turgeon	Lib.
Kent	O. J. LeBlanc	"
Kings and Albert	G. W. Fowler	Cons.
Northumberland	W. S. Loggie	Lib.
Restigouche	James Reid	"
St. John City and County	A. A. Stockton	Cons.
St. John City	Dr. J. W. Daniel	"
Sunbury and Queen's	R. D. Wilmot	"
Victoria	Hon. John Costigan	Lib.
Westmoreland	Hon. H. R. Emmerson	"
York	O. S. Crockett	"

PRINCE EDWARD ISLAND—

King's County	J. J. Hughes	Lib.
Prince "	A. A. Lefurgey	Cons.
Queen's "	Alex. Martin	"
Queen's "	A. A. McLean	"

MANITOBA—

Constituency.	Member Elected.	Politics.
Brandon	Hon. Clifford Sifton	Lib.
Dauphin		
Lisgar	Hon. Thomas Greenway	"
Macdonald	W. D. Staples	Cons.
Marquette	W. J. Roche	"
Portage la Prairie	John Crawford	Lib.
Provencher	J. E. Cyr	"
Selkirk	S. J. Jackson	"
Souris	F. L. Schaffner	Cons.
Winnipeg	D. W. Bole	Lib.

BRITISH COLUMBIA—

Comox-Atlin	William Sloan	Lib.
Kootenay	W. A. Galliher	"
Nanaimo	Ralph Smith	"
New Westminster	J. B. Kennedy	"
Victoria City	George Riley	"
Vancouver City	R. G. Macpherson	"
Yale-Cariboo	Duncan Ross	"

NORTH-WEST TERRITORIES—

Alberta	John Herron	Cons.
Assiniboia, East	J. G. Turriff	Lib.
Assiniboia, West	Walter Scott	"
Calgary	M. S. McCarthy	Cons.
Edmonton	Frank Oliver	Lib.
Humboldt	A. J. Adamson	"
Mackenzie	E. L. Cash	"
Qu'Appelle	R. S. Lake	Cons.
Saskatchewan	J. H. Lamont	Lib.
Strathcona	Peter Talbot	"

Reasons for the General Result

The bases for this confirmation of the Government's position and policy have been in the main indicated. Prosperity fought a vigorous battle in the Government ranks; the Railway project proved popular in quarters where the Opposition's alternative proposal appeared to be unsatisfactory and embodied the old adage of "a bird in the hand, etc."; Quebec continued its support of the Prime Minister and Ontario did not improve the Conservatives' position as they had hoped. Sir Wilfrid Laurier's personality was undoubtedly a powerful factor. There were many other influences—some general in their application and some local; some important and others unimportant. In Ottawa, as a local instance, Mr. E. B. Eddy's letter to his workmen asking support for the Conservative party—after his fight with the striking paper-makers and local Labour leaders early in the year—may have proved a pronounced boomerang. The Nova Scotian expectation and general belief that Mr. Fielding was to be the next Liberal Prime Minister no doubt contributed to the result in that Province while Mr. Blair's defection probably prevented a Liberal sweep in New Brunswick.

In the Territories every newspaper addressing the new settler in a foreign tongue was under Liberal control and, according to

Conservative contention,* every form of influence by Government agents was used to convince the ignorant immigrant that he would be unable to hold his land grants, or even to remain in the country, if the Conservatives were returned to power. Conservatives alleged various frauds in connection with the voters' lists and to these Mr. W. H. Hastings, the Provincial Conservative organizer, attributed the party defeat in that Province.† This party view was subsequently endorsed in different interviews, and with much vigour, by the Hon. R. Rogers, Mr. W. H. Sharpe of Manitou, Mr. Premier Roblin and others.

An Ontario factor of peculiar character was the influence of Mr. R. R. Gamey, M.L.A. Prior to and during the elections he had addressed crowded audiences in fifty of the chief towns of the Province and the Conservatives endeavoured to turn any force which might exist in his charges against the Provincial Government to the injury of the Dominion Liberals as being allies of Messrs. Ross and Stratton. What influence this may have had cannot be exactly estimated although local Conservatives claimed that he helped to elect Mr. Blain in Peel and Mr. Maclean in West York while contributing to Mr. Aylesworth's defeat in Durham. As to the Dundonald issue, Liberals asserted a great victory in this connection. Sir F. Borden's personal majority was multiplied by five; Mr. Fisher increased his own majority and carried the whole of his District where the trouble had originated; Ottawa repudiated it in a most direct manner and even Glengarry elected a Liberal. The result in Toronto, however, was another matter and Lord Dundonald was supported there although the Winnipeg *Free Press* (Nov. 14th) described the City as actuated "by a spirit of bastard Canadianism." There were all the usual charges of corruption, local and general. Besides the Western ones, already referred to, the London *Free Press,* and newspaper correspondents elsewhere, claimed that the part of the election oath relating to bribery was omitted in various parts of the country. The electoral lists in Nova Scotia were declared to be incomplete and unsatisfactory, and the Halifax *Herald* of Nov. 4th declared that:

> The official electoral lists for Halifax were a disgrace to those who prepared them. The names of many leading citizens and property owners who were known to be Conservatives, were not to be found on the list, while so far as is known there was not one Grit who met with such treatment at the hands of the reviser or of the Ottawa machine. For example, the name of George S. Campbell, ex-President of the Board of Trade, is not on the electoral list, while the name of W. S. Fielding, who was resident at Ottawa, and has not had a penny's worth of assessable property in the city for the past seven years, is on the Halifax list.

Turning from a branch of the subject which is unpleasant and

* NOTE—Letter to the Author from Dr. T. A. Patrick, Conservative candidate in Mackenzie, N.W.T.

† NOTE—Winnipeg *Telegram*, Nov. 5th.

as to which proof can rarely be offered of a nature satisfactory to both sides; and eliminating the Conservative claim that the Liberals had a huge campaign fund from Railway sources or the Liberal claim that the Opposition had one from Mr. Russell and other capitalists; we may glance at the press opinion of the time. The Liberal papers were naturally jubilant. The Halifax *Chronicle* (Nov. 4th) had much to say of Mr. Fielding's influence and his signal success, of his "magnetic personality, transcendent ability and unstained public and private record," as contributing to the general result. The Montreal *Witness* described the victory as a "great personal triumph" for Sir W. Laurier who "towered, head and shoulders," above any man in the Opposition. The Montreal *Herald* thought that Sir Wilfrid had completely dominated the interest of the contest:

> The triumph of yesterday is a marvellous tribute to the confidence of the whole people in Sir Wilfrid Laurier. It should do much to reward him for the long years he has spent in combat with racial and religious prejudices. In the fulness of time he has come into the enjoyment of that confidence on the part of both the great races of Canada, which he has so steadfastly sought. He stands to-day the accepted bond between English and French Canada, at once the symbol of mutual trust and the embodiment of the spirit of conciliation and good-will.

This personal note was also touched by *La Presse* as being the chief element in the result. *La Patrie* represented Mr. Tarte's opinion that the Government assurance as to tariff revision had considerably affected the election; while the independent *Journal* of Ottawa thought that this tariff issue, the Railway issue, the prosperity of the country and the personal popularity of the Premier accounted for the result. A strictly Conservative paper like the Ottawa *Citizen* found itself unable to account for what had happened. There was some undercurrent at work which seemed to indicate that the country was thinking ahead of its statesmen. "The first statesman who is astute enough to divine the true meaning of that vote of November 3rd will find himself in touch with a new trend of public sentiment in Canada." The Toronto *World* declared that the only issue in Ontario was public ownership of railways and that it had won a distinct victory. In British Columbia the Victoria *Colonist* thought the Grand Trunk Pacific was the only explanation.

Mr. Chamberlain and the Result of the Elections

A word must be said upon this point as great interest was taken in the contest in Great Britain —especially by public men with a view to reading the result into the dominating fiscal discussions of the hour. The comments of the British press, as cabled to Canada, were largely sympathetic toward the Government with a general expression of belief that it would be returned. After that event it was the policy of the British Liberal press to claim it as a defeat for Mr. Chamberlain; and of the other papers to declare Preferential trade not an issue in the contest. In the

sense of a prominent fighting element, presented and offered by party papers as one of the pivotal points in the campaign, it was not an issue at all. As a matter which the Government opposed or discussed with any prominence it was not an issue. But there were two ways in which it was unquestionably used and they were typical of Canadian politics. In all his speeches, outside of Quebec, Mr. Borden made the active development of Mr. Chamberlain's policy a factor in the Conservative programme which he believed to be popular and which he heartily favoured as Leader of the party. In his first Ontario address, at Aylmer, on Sept. 15th, Mr. Borden spoke in words which may be given as similar in character to those which followed in many other speeches:

> The Conservative party has stood for a policy of mutual preference within the Empire and stands for it still and, if returned to power, would substitute for the inaction of the present a policy of vigorous action. Mr. Chamberlain's policy involved no sacrifice of rights; no Militarism. We had given a preference, and what danger was there in accepting one if we could get it? Some of the very men who are opposing it were ready for a reciprocity treaty with the United States. Would not a reciprocity treaty with the Mother Country, who is our chief customer, increase the value of every farm, and tend to assist the immigration of British to the North-West? The extension of the Canadian market is of importance to the British manufacturer, and it would be especially so if a reciprocity treaty were carried out.

Practically all of the Conservative candidates, outside of Quebec, favoured the policy. Mr. Ames in Montreal did so also and Mr. Tarte in *La Patrie*. But the French-Canadian Conservatives were apparently afraid to make it an issue with these exceptions and those of Mr. L. P. Pelletier, Mr. J. G. H. Bergeron and one or two others. Much of the Liberal press and many of the party candidates in Quebec were, however, quite willing to bracket Lord Dundonald and Mr. Chamberlain together in one issue of a great English conspiracy against the autonomy of the French-Canadian and of antagonism to his continued immunity from Empire defence burdens and "European militarism." In this sense Mr. Chamberlain was an issue in the contest—the Conservative Leader reaping all the good he might from supporting his policy in English-speaking Canada and the Liberals all the benefit they could from encouraging (directly or indirectly) the belief in French Canada that he was a "bogie" of whom they must beware. In either case the influence of the man and his policy was indirect and subservient to the greater issues of the contest though not to the extent suggested by the Toronto *Star*, on Nov. 10th, when it criticized English and United States papers for reading into the elections a decision in the matter of trade relations with Great Britain and the United States and added: "They have nothing whatever to go upon in so doing. Neither question came up in any shape or form in the election. It is surprising how completely these questions retired from view."

Aftermath of the General Elections

Out of the elections and the result came various more or less important incidents. One of the first was the welcome home given by the Capital on Nov. 5th to the Prime Minister and Lady Laurier. Amid the acclamation of thousands of citizens, the waving of flags, the illumination of vari-coloured lights and the skirl of Scottish bag-pipes, the victorious statesman and his wife passed through the streets of Ottawa to their home. Two days later the City Council passed a unanimous Resolution congratulating their "esteemed fellow-citizen" upon his success. A mystery of the moment was Mr. Aylesworth's intentions in view of his defeat in Durham. The Premier stated on Nov. 7th that Parliament and the Cabinet were not going to lose that gentleman's services as two constituencies had already been offered to him in Quebec*—one being the Solicitor-General's second seat in Gaspé. Many of the Liberal papers urged him to remain in public life but up to the close of the year no conclusion was announced from Mr. Aylesworth himself, nor was he sworn in as a member of the Government.

Following the elections there were several changes in close constituencies and the one attracting most attention was that of Wentworth, Ont., where in the course of a recount, it was found that enough ballots had been accidentally marked by the Returning Officer to change the result if excluded by the Judge. This, Judge Snider did on Nov. 21st and declared Mr. E. D. Smith (Con.) elected instead of Mr. W. O. Sealey. In a recount case at Barrie involving similar conditions in North Simcoe Judge Ardagh gave an opposite decision on Nov. 25th and held himself bound by law to retain the marked ballots. Meanwhile, and until Dec. 16th, the Yukon election was in progress and a very vigorous fight it was. Mr. F. T. Congdon had whatever Government influence and Civil Service support there might be available in Dawson and Dr. Alfred Thompson had the Conservative and Independent-Liberal (or anti-Congdon) vote. As reported on the day after the election Dr. Thompson won by 1,634 to 1,036. The fight had been a fierce one teeming with charges of corruption and "ring" rule; and with every species of personality. Whatever the merits of the issue the Conservative party claimed the result as a direct and severe censure of Mr. Sifton's administration of the Yukon through his subordinates and, especially, Mr. Congdon.

In Montreal, meantime, an inquiry into Conservative charges of personation, etc., against some Liberal workers in the St. Antoine Division, was carried on amid dramatic incidents and with some evidence of a wide-spread conspiracy. On Dec. 16th they were committed for trial at the King's Bench. An interesting reference to the electoral result in another connection was an inquiry made by the *Witness* (Nov. 11th) of Mr. C. M. Hays

* NOTE—Ottawa correspondent of the Toronto *Star*.

as to whether a different result would have endangered the Grand Trunk Pacific project or reversed the present policy. "Oh," said Mr. Hays, "we had no fear at all as to a reversal of the policy which was declared by the Government. There is the Liberal Senate you know!" In far-away British Columbia the Liberals combined on Dec. 2nd in doing honour to the Hon. William Templeman as the Government leader who had done much to effect the Liberal sweep in that Province. The tribute took the form of a great banquet in Victoria presided over by Mr. Joshua Kingham and attended by many of the leading Liberals of the Province. The delay of a train prevented the attendance of a number of others. After the Chairman had eulogized Senator Templeman and, especially, referred to the way he had stood by the party in its dark days in British Columbia the guest of the evening traced briefly the organization and development of the party in the Province to its present strong position. "Laurier and a larger Canada" had been the recent issue; coupled with a Railway policy which would bring much prosperity to the Province. He urged them all to work for the speedy placing in power at Victoria of Mr. J. A. Macdonald, the Leader of the Provincial Opposition. Other speakers were Messrs. Ralph Smith, M.P., Duncan Ross, M.P., W. Sloan, M.P., W. A. Galliher, M.P., C. H. Lugrin, the Rev. Dr. Rowe, and W. W. B. McInnes, M.L.A.

An interesting aftermath of the contest was found in the triumphant attitude of the City of Portland in Maine. The question of Canadian *versus* United States ports had been one of the issues forced by the Conservatives and the Maritime Province press now made the most of a number of editorials appearing in the Portland and Boston papers expressive of pleasure at the Government's success and at the certainty of the Grand Trunk Pacific scheme being carried through without change. The Portland *Argus* described the victory as one for Laurier, the Grand Trunk and Portland, and scoffed at the idea of future Canadian port competition; the Bangor *News* (Nov. 9th) declared the result to mean that "Portland is destined to become within ten years one of the most important export cities on the Atlantic Coast"; the Portland correspondent of the Boston *American* declared that "the announcement of the Liberal victory is equivalent to a great boom for Portland"; Mayor J. P. Baxter was interviewed on Nov. 4th and, after stating that a "marvellous increase in the City's business would follow," said: "I do not wish to say the Grand Trunk has made Portland but I will say Portland has done a great deal for the Grand Trunk, and it is no more than right this city should become the outlet of the Grand Trunk when it becomes a great trans-continental system"; the Portland *Advertiser* pointed out that the general increase of trade would be great upon completion of the new Railway and that Portland would naturally get a share of it. It was also stated that the total expenditure by the United States Government upon

improvement of the local harbour was, up to June 30th, 1904, $1,264,547. What the Grand Trunk had spent was only indicated by describing the things it had done.

Following the elections came a revival of the demand in British Columbia for fiscal treatment of the lumber question. The season had been disastrous to the dealers and the free lumber from the States which the Western settlers found a benefit had continued a serious injury to the Pacific lumbermen. The criticism by the Retail Lumbermen's Association of railway freight rates had been met by the Canadian Pacific posting in its stations the wholesale prices of lumber. The demand of the Coast lumbermen for protection against the competition of United States free lumber while their own lumber was kept out of the States by a duty of $2.00 per 1,000 feet, was met, as before, by the demand of the Western settler for cheap building material. On Dec. 5th Senator Templeman and Messrs. Smith, Sloan and Ross met a gathering of the Vancouver Board of Trade, to discuss this question. Mr. J. G. Scott pointed out to the members of Parliament present that importations from the United States were increasing—the imports of 1903 being 60,000,000 ft. and those of 1904, 140,000,000 ft. Mr. C. M. Beecher declared that "it is to-day impossible for the millmen of this Province to operate their plants at a profit in competition with the United States mills." The reasons for this were given as follows:

> Where a mill can be constructed and equipped in the State of Washington for, say $250,000, the same mill could not be duplicated in British Columbia for less than $300,000. On the other side of the line mill machinery is much cheaper than it is here. British Columbia millmen who import American machinery have to pay a duty of 25 to 50 per cent. on the same. There is a duty of 35 per cent. on locomotives, a heavy duty on rails, camp supplies and food cost more here, belting, oils, piles and every other article entering into the equipment and maintenance of a lumber mill in British Columbia cost more than is the case to the south of the line.

Some of the Parliamentary contingent asked about the alleged exorbitant charges to the consumer in Manitoba and the Territories and inquired whether the millmen were not responsible for the action of the wholesale dealers. Mr. Beecher, in reply, stated that they did not control the dealers and had no desire to be unfair. But the Western farmer had protection for his products and why should not the Coast lumberman have some ? They would be benefited by reciprocity with the United States. Senator Templeman concluded the discussion by promising to aid in presenting the matter to the Government and suggested the sending of a deputation to Ottawa. On Dec. 20th the Western Lumbermen's Association met at Calgary and passed a Resolution asking for a duty on rough lumber coming into Canada. Arrangements were also made to send a deputation to Ottawa and, meanwhile most of the mills around Vancouver closed up their works.

Mr. Borden's Defeat and the Conservative Leadership

Passing from these incidents arising out of, or naturally following, the elections a few words must be said of some events intimately associated with the warp and woof of the contest—the Opposition Leadership, the Russell-Blair incident and the Belleville ballot-box case. Mr. Borden's defeat in Halifax had been greatly regretted by his party throughout the country. It was felt that his earnest and severe political labours and unselfish disregard of personal interests deserved something better from his constituents and there were many and immediate expressions of desire that another seat should be obtained for him. The Montreal *Star* of Nov. 4th declared that "the defeat of Mr. Borden is a very real, though it is to be hoped only a temporary, calamity. No man has shown in so short a time a more genuine genius for public life." The Ottawa *Citizen* put a good deal of admitted truth into the following paragraph:

> Mr. Borden had won the respect and admiration of the country by his course in Opposition and by the splendid fight he made almost single-handed in the past campaign. It was a statesmanly effort and well illustrated the results of the developing and broadening influences of leadership on a naturally keen, logical mind, combined with debating power of the highest order.

The Halifax *Herald* (Nov. 5th) expressed the belief that no one else in the Conservative party was a possibility for leadership; that although Nova Scotia by trickery and corruption had been detached from his following it would yet give a good account of itself; that there were few men in public life of such sterling character and ability as Mr. Borden. The Winnipeg *Telegram* (Nov. 7th) was even more eulogistic. "Mr. Borden has served his party with an unselfishness and fidelity rarely found, and he has done more to arouse Canadians to the importance of some of the great problems confronting us than any leader of recent times. In ability he was without an equal in Parliament, and as an elevating influence in public life he constantly made himself felt." In the Liberal papers there were quite a number of tributes to Mr. Borden's personal fairness and honour and to his debating skill. Even the Halifax *Chronicle* said: "We are sorry for Mr. Borden, personally, because he is a good and in many respects an able man." The Montreal *Herald* hoped that a seat would be found for him. "His absence from Parliament would be a loss to his party and to the country." The Winnipeg *Free Press* (Nov. 9th) described him as "a promising public man" who, however, could hardly have been expected to qualify for national leadership in four years. Still more expressive was the language of Mr. J. A. Macdonald, Editor of the *Globe*, in an interview reported in the Winnipeg *Telegram* of Nov. 10th:

> It is the hope of very many prominent Liberals in Ontario that Mr. Borden will be given a seat. While, personally, I naturally do not think he mastered all the details of the transportation question; still during

the few years that he has been Leader of the Conservative party he has won, and I say it with all sincerity, the respect and admiration of each and every Liberal who came to know him. I myself think very highly of Mr. Borden and I don't know any man in the party ranks who is so well able to act as leader in the interests of the country as he is himself.

The Independent press was still more complimentary. The Ottawa *Journal* (Nov. 4th) hoped that a seat would be found for Mr. Borden and referred to him as having shown "an ability and energy, perseverance and courage, which have not been surpassed by any leader in political campaigns in the Dominion." The Toronto *News* commented as follows: "He has developed greatly during the four years that he has carried the responsibility of leadership, and there is every reason to believe that he will more and more win the confidence of the people of Canada as he becomes better known and has further opportunity to show his mettle." The Hamilton *Herald* also urged Mr. Borden's re-election to Parliament and the leadership and added: "He is universally recognized as a clean, honourable, and upright politician, an honour to his country and an influence for good in the public life of the Dominion. We believe that his personal defeat has been learned with general and sincere regret."

There was not very much talk of another leader. Natural references to Mr. Foster were heard and his great ability and eloquence everywhere recognized; while Mr. E. F. Clarke, the Hon. Peter White and Mr. F. D. Monk had their supporters. But, pending Mr. Borden's decision, there was no real discussion of the matter. A number of seats were offered him of which Mr. Kidd's safe constituency in Carleton and Colonel S. Hughes' seat in Victoria became known to the public. Meanwhile, the Opposition Leader and his wife had left for the Southern States, shortly after the elections, and they did not return until Dec. 4th when Mr. Borden reached Montreal in order to attend an informal party meeting. There were some 25 Conservative members of the Commons present, and others representative of the party, and a practically unanimous wish was expressed that he should retain the leadership. In reply Mr Borden asked that a decision be held in abeyance until the meeting of the party Caucus at the opening of Parliament. It was said by the Liberal press that Mr. W. F. Maclean of Toronto opposed re-election though this was afterwards denied and it was pointed out that neither Mr. Foster nor Mr. Clarke were present. Both, however, had sent most cordial letters endorsing Mr. Borden.*

Continuation of the Russell-Blair Controversy

The most widely-discussed affair arising out of the General Elections, and apart from great issues of public policy, was undoubtedly the purchase of *La Presse* and the alleged plot of Messrs. Blair, Russell and others to overthrow the Government. The myriad phases of this extraordinary incident may be briefly

* NOTE—At the opening of Parliament in 1905 Mr. Borden was re-elected Leader of his party, and returned to the House by acclamation for Carleton.

summarized as later developments helped to complete the story, or concentrate the allegations. There was the primary basis of a supposed syndicate of Canadian and United States capitalists anxious to get hold of the Grand Trunk Pacific contracts and manipulated by Mr. David Russell with Mr. Blair and Dr. Pugsley in the background. Then there was the alleged refusal of the Prime Minister to consider their proposals, the banquet to Dr. Pugsley at Caledonia Springs, the discussion of the scheme afterwards attempted, and its alleged betrayal by the New Brunswick Attorney-General to Sir Wilfrid Laurier. Following this last development (unknown of course to the promoters) was the acquisition of the St. John *Telegraph,* the change of the Conservative *Gazette* into the "independent" *Times*—in anticipation of Liberal efforts to acquire the property—and the secret purchase of *La Presse.* Then came the change of scene to New Brunswick where Mr. Russell, Mr. J. N. Greenshields, two supposed New York capitalists and others, traverse the Province in a splendid private car and incidentally, on Oct. 22nd, pick up Mr. Borden at Fredericton and carry him to St. John while, two days later, there appears the Opposition Leader's warning against corrupt party contributions and his announced refusal to accept such gifts. The next scene on the stage showed Mr. Blair's resignation, his avowal of continued hostility to the Government's railway policy, his refusal to admit or deny stories as to active opposition, his visit from and interview with the Prime Minister at Ottawa on Sunday, Oct. 23rd, and his gradual detachment and final disappearance from the expected development of the day. After the elections those concerned made statements regarding the matter while the Toronto *World* devoted much space and sensational writing to alleged details of the plot. To the Winnipeg *Free Press* of Nov. 28th, the Hon. H. R. Emmerson, Minister of Railways, stated that he knew all about it; that he was in New York on Sept. 28th and had been approached regarding contracts for the Grand Trunk Pacific by a person who said that there would be lots of money in his offer for the party campaign fund; that this man had said that he and his friends were working through Montreal people; that Mr. Greenshields was in the New York hotel at the very time of this conversation; that he saw in a New York financial paper four days after Mr. Blair's resignation that the latter was to be the head of a Syndicate to control the construction of the Railway; that there was lots of money from somewhere used against him (Mr. Emmerson) in the ensuing campaign.

On Dec. 3rd the Toronto *World* had a despatch from Ottawa outlining the alleged plot to create a panic on the verge of the elections and to overthrow the Government. According to this story it was said that Mr. Russell had much money at his back and two of the great Railway corporations of Canada with him; that he had access, through a retired civil servant, to information which would greatly discredit the Hon. Mr. Sifton and his De-

partment; that this scandal was to be made public on, or about, nomination day and seven Liberal candidates in Quebec to resign, presumably in disgust, but really for a consideration of $10,000 each; that *La Presse* was suddenly to turn round and support the Opposition, nominally as a result of these revelations but really because of its purchase by Mr. Russell and his friends; that Mr. Blair for his aid in resigning and opposing the Government was to receive $100,000 of which $20,000 was paid him in cash and a further instalment of $65,000 in the form of a cancelled debt to Mr. Russell—which proved unsatisfactory to Mr. Blair. At this stage Sir Wilfrid Laurier was supposed to have appeared and spiked the Blair guns in some way not known and to have held back *La Presse* by the threat of public action against it through a direct appeal to its French-Canadian constituents. To some extent this was rendered unnecessary through its purchase by English-speaking capitalists becoming known and thus nullifying very greatly its influence in any new or projected move. In the *Globe* of Dec. 5th Mr. Blair denied the truth of these statements. On the same day the *World* returned to the charge and added the names of Hon. Mr. Prefontaine and Hon. Mr. Fitzpatrick to that of Mr. Sifton as being involved in the alleged scandal. The day before this *Le Nationaliste* of Montreal, which had first announced the sale of *La Presse,* contained the following statement:

> The Blair-Russell plot had its beginnings during the course of the last Session of Parliament. Mr. Russell, who had long been acquainted with the leading railway contractors, and also with the Vanderbilts and Dr. Webb, had thought over, with Mr. Greenshields, advocate for Messrs. Mackenzie and Mann at Montreal, the formation of a syndicate with $40,000,000 capital stock, which would undertake big public works and, in particular, the construction of the Grand Trunk Pacific. The Director of *La Presse*, Mr. Dansereau ; the proprietor of the *Star*, Mr. Graham ; and certain Federal Ministers (Mr. Prefontaine and Mr. Fitzpatrick have been mentioned) were soon informed of the project, either personally or by the intermediary of friends. The proposal was submitted to Sir Wilfrid Laurier, who showed a lively interest, and asked that it be submitted in writing—which was done. Sir Wilfrid's answer not being forthcoming, Mr. Greenshields displayed some impatience, but Sir Wilfrid would not allow his hand to be forced. He asked explanations of Mr. Prefontaine and Mr. Fitzpatrick, got them to withdraw from the project and, when others insisted on a favourable reply, he tore up the Memorandum and threw it in the waste basket. Mr. Greenshields stayed on for three weeks at Ottawa, threatening Ministers and plotting with Mr. Russell, Mr. Blair and others, the overthrow of the Ministry.

Then, according to this paper, followed the plot against the Government. To the press on Dec. 6th Mr. Blair contributed a categorical denial of all charges against himself. In this letter he stated that his publicly announced reasons for retirement were the real ones; that he had taken no part whatever in the elections except to vote; that he had never conspired to make an attack against the Department of the Interior or to expose scandals against the Government, nor had he ever heard of such a move

being in contemplation; that so far as he was aware the tale about bribing the Quebec candidates was an entire fable; that his telegram of resignation had not stated that he would take the stump against the Government and that "I had not the slightest thought when I resigned of going into the fight"; that if Sir Wilfrid Laurier or any one else, inside or outside the Government, were in possession of any secret which could have prevented him from acting in that way if he had wished to do so, they were permitted and invited to make it public; that the Premier had never asked him not to take part in the campaign; that there was no arrangement by which he was to receive $100,000, nor had he received $20,000 or any other sum as alleged. On the same day the press also received Mr. Borden's denial of knowledge regarding the affair in the following categorical terms:

> I wish to say that that resignation came as a great surprise to me. I did not directly or indirectly suggest to him or ask him to resign. I held out no inducement to him to resign. I had no interview with him upon the subject, nor did any one on my behalf approach him upon the subject. In short I had nothing whatever to do with his resignation and I was thoroughly surprised when I heard of it. I had no connection with, and I knew nothing of, any negotiations respecting the alleged change of ownership of *La Presse*, and I had nothing to do with such change, if it took place. I never had an interview or communication with any English or American capitalists, or with any other person, with respect to any proposed contracts for the building of the Grand Trunk Pacific. I never even heard of the alleged construction syndicate. No one approached me with any proposal respecting the construction of that railway. Any statement or suggestion to the contrary is utterly without foundation.

The Opposition Leader also denied receiving any contributions for any purpose from Mr. Russell or any of the other sources mentioned, or of having ever even heard of the plot to withdraw Liberal candidates from the field in Quebec. Following these communications, on Dec. 9th, Mr. David Russell had a lengthy letter in the St. John *Telegraph* denouncing the malicious lies which he said had been written in the press about himself and Mr. Blair; declaring that his own defence would probably come out in the Courts before long; stating that Mr. Blair had decided to resign from the Railway Commission because he thought the Government did not support him properly and that he (Mr. Russell) had been able to guarantee him more congenial and remunerative employment as "a Consulting Attorney in Corporation matters"; that for this reason he had advised his retirement and that, in any case, Mr. Blair had known nothing of the alleged conspiracy and its details—which was composed of fairy tales concocted in certain newspaper editorial rooms. To the *Globe* of Dec. 15th Mr. Russell added the statement that the negotiations for the purchase of *La Presse* were upon a purely business basis and that because of this he had agreed that there should be no change in the political policy of the paper. No member of the

staff had anything to do with this matter. Mr. Borden knew nothing beforehand of the purchase and, on Dec. 12th, he had himself made his second payment of $100,000 on the transaction.

On Dec. 17th *La Presse* editorially, and with elaboration, denied that Messrs. R. Forget or Hugh Graham had purchased the paper, or that it had been sold to capitalists representing the local Power Company and the Street Railway. It declared itself anew to be "the organ of the people, of the working class; the adversary of trusts and exploiters." The Toronto *World* on Dec. 19th, however, had a despatch from Montreal declaring that Mr. Graham of the *Star* was the principal owner and actual director of *La Presse* for which he and Mr. Russell had paid a million dollars. The cause of the failure of the "plot" was said to be due to the disappearance of the documents implicating the Liberal politicians.

The day following this article's appearance saw a long despatch in the Toronto *Globe* accepting the Graham-Russell ownership as a fact, and eulogizing Mr. Thomas Coté, Managing Editor of *La Presse,* for having in the days between the purchase and the election kept his paper from hostile action against the Government and in the teeth of repeated effort and much pressure. Dramatic incidents were given to illustrate the fight he had put up in order to keep Conservative matter out of the paper. On the next day *La Presse* announced in a two-line notice that Mr. Coté had ceased to be its Editor. Meanwhile what of Mr. Blair? On Nov. 18th it was stated, after various and divergent rumours, that he had accepted the post of Managing-Director of the Toronto Roller Bearing Company, Ltd. This was confirmed by himself on Dec. 30th with the further statement that he would open offices in Ottawa and act as Counsel in Railway, Corporation and Parliamentary matters.

The Ballot Box Conspiracy in West Hastings

This incident was important as throwing a severe side-light upon political methods in certain Ontario constituencies and because it produced and made public a new form of political scoundrelism. The idea of using bogus ballot boxes with the connivance of the returning officers—each box being so arranged as to switch Conservative votes into a secret compartment and replace them by Liberal votes—was something so novel and far-reaching in its danger as to attract wide attention and comment in both Great Britain and the United States. As afterwards revealed in Court the story may be briefly told. The candidates implicated were Byron O. Lott, running on the Liberal ticket in West Hastings where the boxes were actually used, and W. J. Shibley running in Frontenac where it was the intention to use them. On Oct. 27th a number of packages, alleged to be beehives and containing some 16 of these bogus boxes, were shipped from Prescott, on the United States border, to P. A. Lott, a brother of the candidate, to John Bremner of Bancroft and to W. H. Car-

foot of Kingston. Three days later P. A. Lott betrayed the plot to Mr. E. Guss Porter, the Conservative candidate in West Hastings, and to Mr. Harry Corby, ex-M.P. On election day some of these boxes were seized by the authorities.

Rumours were rife as to the matter but nothing more was done until, on Nov. 13th, Mr. Porter precipitated the issue by charging Mr. T. S. Carman of the *Daily Ontario,* Belleville, and Mr. F. E. O'Flynn, with criminal libel for indirectly alleging some kind of connection on his part with the importation or intended use of the boxes. The case came on for immediate trial before Magistrate A. F. Wood who, the *Globe* at once pointed out, was formerly Conservative member for North Hastings. Lieut.-Colonel A. P. Sherwood, Dominion Police Commissioner, was present on behalf of the Federal Department of Justice and Mr. G. F. Shepley, K.C., of Toronto was also under instructions to follow the case and report results. A Provincial detective had, meanwhile, been sent by the Attorney-General at Toronto to look into the matter and the Hon. Mr. Gibson informed the *News* of Nov. 13th that any prosecutions following would have to be undertaken by his Department. Mr. E. E. A. DuVernet appeared for Mr. Porter.

The chief witness was Philip A. Lott who gave a detailed account of the conspiracy to use these ballot boxes and who was corroborated in many details by Mr. Porter and Mr. Corby, as well as other witnesses. His position as a brother of the candidate added interest to his charge. B. O. Lott, he stated, had in conversation with himself connected the Office of the Ontario Liberal Association at Toronto and its Secretary, James Vance, with the instigation of the scheme. There was no further proof of this except the very indirect and doubtful one of ordinary campaign telegrams passing between Lott, Shibley, Vance and Mr. G. P. Graham, M.L.A., the Liberal organizer in Eastern Ontario. The witness also quoted T. J. Reilly of Kingston, who was instrumental in getting the boxes made and shipped across the border, as describing them with a certainly unique enthusiasm. "They are winners. It will take God Almighty to defeat the Ontario Government at the next election." Correspondence was handed in to the Court further involving Reilly and Shibley and Lott in the matter and evidence was given as to the printing of the fraudulent ballots which were to have been used.

The first arrest in the case occurred on Nov. 20th when Colonel Sherwood arrested T. E. Whalen, who had originally shipped the boxes from Prescott. On the following day B. O. Lott was placed in jail. He was afterwards bailed out and later on left the country. Shibley also fled to the States to avoid arrest and a warrant was issued for T. J. Reilly. The last-mentioned gave evidence on Nov. 25th and admitted the conspiracy to use the boxes though he did not agree on all points with the statements of P. A. Lott. After the discovery of the plot and finding of the ballot boxes, he declared

that B. O. Lott offered him $500 to leave the country. Ten of the boxes had then been taken from Shibley's home the day after the elections and thrown into the waters of Lake Ontario. The arrest of E. G. Ruttan, a returning officer in the late election followed in this latter connection and, on the succeeding day, the evidence of John Brennan of the Bancroft *Reporter* showed that a case of these boxes had been shipped to him by Samuel Harryett, Police Magistrate at Bancroft. Brennan, in his evidence, also described B. O. Lott, Harryett, George Weese of Bancroft, and himself, as meeting in a Toronto hotel during the Liberal Convention when Lott asked him to try and conceal what he knew.

As a result of Reilly's statement that he and Lott had called upon Mr. G. P. Graham when returning from one of their trips to Watertown, N.Y., in connection with the boxes, the Provincial Secretary was called and appeared in the case on Dec. 2nd. There was nothing in his testimony or the evidence, however, to prove any actual connection with the plot. On Dec. 3rd the telegrams already mentioned were produced in Court but did not throw much light on the matter. Six days later the investigation came to an end and Mr. Carman was committed for trial on the charge of criminally libelling Mr. E. Guss Porter. The Magistrate reviewed the evidence at length and in doing so made a preliminary comment which was much criticized by the Liberal Press:

> The untruth of the libel on Mr. Porter is established by it having been proven that the scheme was conceived and brought into execution by W. J. Shibley and B. O. Lott, each a candidate for election to Parliament, assisted by F. J. Reilly and others, and that Mr. Porter, so far from having any hand in the outrage, was to be the victim of the nefarious plot to steal a constituency. I am constrained to say that evidence given in other Courts establishes the fact that this is no solitary instance of electoral corruption. From the extreme west of Ontario to the east a continuous series of crime against political honesty have been shown to have been committed. From the evidence of fraud and trickery at elections, which have been so frequent of late, I have reluctantly come to the conclusion that public honour in Canada has steadily declined. Such deterioration can only be stopped by a serious awakening of the public conscience and I trust that the evidence which has been brought forward in this case may give such a shock to the public opinion as to make the 'saving remnant' of honourable men in the Province awake to the seriousness of the position.

A week earlier Reilly, Whalen, Ruttan, and another were committed for trial by Magistrate Flint, on a charge of conspiracy preferred against them under the Criminal Code. On Dec. 14th Magistrate Harryett was suspended by the Ontario Attorney-General.

III.—POLITICAL AFFAIRS IN ONTARIO

The Position and Work of the Government

During 1904 the Provincial issues involved in the retention of office by the Hon. George W. Ross came slowly and surely to a head. The political situation was frequently as unpleasant to the public as it must have been to the Government. The Session of the Legislature was stormy at one time and sultry in its sentiments at another; the only bye-election of the year was fought by both parties with bitterness; the trials of protest petitions in several constituencies were first postponed and, when held, were accompanied by most revolting evidences of corruption; and, as the year drew to a close, the Liberal Government which had been in power under different Premiers for 32 years found themselves without a majority in the Legislature and facing a general election of very doubtful consequences.

There was no doubt in the public or party mind as to the ability of the Premier, of his capacity as a ready and forceful debater, of his influence as a public speaker of rare oratorical powers, or of his skill as a versatile party leader. But he had inherited the leadership of a political organization which was described by an opponent as "eaten through with the rusts of office"; he had to grapple with evils which had clung to the ship of state for years and had become not only like the "barnacles" of popular discussion but of a constantly increasing weight and force; and he endeavoured to meet the corrupt influences which had penetrated from the outskirts of the party organization to its very heart, and become what opponents described as a machine, with a simple repudiation of responsibility coupled with the largely-admitted fact of a reasonably clean departmental record. His oratorical gifts and cleverness were therefore devoted to the defence of existing conditions and to the difficult task of holding office with a majority of three or less. Against him was the force of a united and energetic Opposition, full of determination to oust from office what it believed to be a corrupting oligarchy; and with a leader in the person of Mr. J. P. Whitney who had a reputation for undoubted probity and honour, high character and assured conviction. With a thorough belief in the justice of his struggle for political purity and in the imperative necessity of overthrowing the Government; and with a clear conviction that by virtue of the popular majority in the general elections of 1903, and through subsequent bye-elections fradulently won by the Government, he was really the people's choice as Premier of Ontario, Mr. Whitney had plenty to go upon in his virile and effective speeches.

The year opened with five election protests pending against Government supporters and one against a Conservative member;

with still vivid memories of recent Opposition successes in North Renfrew and Muskoka; and with dates fixed for the trial of the election petitions. If these trials were allowed to go on there was every probability of the seats being vacated and at least a possibility of the Government's majority of three being wiped out. Under these circumstances the Premier decided upon an early Session of the Legislature which, incidentally, would throw the trials over that period and in all probability postpone them until the Autumn. The House accordingly met on Jan. 14th and sat for over three months. On Jan. 26th a bye-election took place in South Oxford and resulted in the Liberal candidate being returned by a large though reduced majority.

The contest was a very earnest one. Mr. Andrew Pattullo, the Liberal member for the riding, died on December 29th, 1903. The writ for a new election was issued on January 7th, with nomination day on the 19th. In the preceding elections of 1898 and 1903 Mr. Pattullo and an independent Liberal had, together, polled in the respective years 4,049 and 3,404 votes over the Conservative candidate. On this occasion Lieut.-Colonel James Munro was selected as the Liberal candidate and Mr. R. E. Butler as the Conservative. On Jan. 18th a lengthy leaded editorial appeared in the *News* of Toronto, appealing to the constituency, as having bred the flowers of Canadian Liberalism, to be true to the best traditions of the party and to the best men of an historical past by voting against the present Government's candidate and public record. It was a notable commencement of one of the most vigorous journalistic campaigns in Canadian annals. Mr. Whitney spoke at Woodstock on January 23rd and a very large number of meetings were held throughout the riding. Mr. R. R. Gamey also addressed two crowded meetings in Woodstock on the 23rd. The result showed a majority for Colonel Munro of over 900.

Apart from this there was much public discussion of the general situation and the Government's policy. Liberal papers such as the Goderich *Signal,* the Huron *Expositor,* the Mitchell *Recorder* and the Oshawa *Reformer* severly criticized their course in delaying the North Renfrew election for nearly two years and commented freely upon subjects such as nepotism, electoral corruption, and party barnacles. The *Globe* took straight issue (Jan. 7th) with any and all who thought the Government should resign:

> That it is their duty to maintain their places cannot be put too strongly. The only thing that can release any of its members from his obligation to stand at his post is an adverse vote of the Legislature. The view that Mr. Ross and his colleagues should surrender because the battle has become hot and fierce is one that will scarcely commend itself to any section of the races from which we are sprung. . . . If their opponents have any criticism to level against them because of incapacity or want of integrity in administering the affairs of the Province let them submit their case to the calm judgment of the Legislature. If that body condemns the Government even by a majority of one the Liberal party will absolve the Cabinet from further obligation, but while they are

supported even by such a majority they are in honour bound to be faithful to their trust.

Following this came a discussion in the press and elsewhere as to the duty of the Lieutenant-Governor in this connection. The Conservative press claimed that the Government represented a minority of the popular vote; that their actual majority in the House might and probably would be wiped out in the coming bye-elections; that these should be brought on at once or else the Government be dismissed by His Honour; and that in no case should another Session of the Legislature be permitted with several seats represented by men almost certain to be unseated by the Courts. To the Toronto *World,* on Jan. 2nd, Dr. Goldwin Smith expressed the view that the time had come for the Lieut.-Governor to act upon his own discretion and to assert the prerogative of the Crown. "As to whether the present Government has lost the confidence of the people, I can scarcely presume to offer an opinion. The general impression seems to be that it has. I don't pretend to be a judge of the political situation, but it appears to me that the result of the present struggle of the Government to hold power may wreck the Liberal party in Ontario and, perhaps, be not without injury to the Dominion Government in the approaching general election."

In the *Weekly Sun* of Jan. 6th and Jan. 13th Dr. Smith, in more general terms, indicated his view as to the constitutional right of intervention by the Lieut.-Governor. It was pointed out, however, that precedents in Canadian Provincial history were opposed to such a course and that none of them had in the end proved to be acts of wisdom. The *Globe* put the matter very concisely: "The Lieutenant-Governor was asked what he intended to do in the present emergency. He very properly answered that he would continue to act on the advice of his Ministers. That is in strict accordance with both the theory and the practice of responsible government, and leaves nothing more to be said." Throughout the controversy which ensued it was noticeable that very few criticisms were levelled against Mr. Mortimer Clark as Lieutenant-Governor. He had become unusually popular during his brief term of office and the matter was debated mainly from the constitutional standpoint. One exception to this rule was the Peterborough *Review.* In the Legislature on Jan. 18th Mr. Whitney made it clear that while he believed the Lieut.-Governor would have been justified in refusing to call the House together yet he thought his power, in the premises, was more or less ill-defined and hazy. He then proceeded as follows:

I feel bound to assert that in my opinion he adopted the safer and wiser course. We know that the Ministers are in a minority in the Province, everybody knows that. But here is a majority, no matter how small. We know what has been the result in every case where other Lieutenant-Governors have taken upon themselves to interfere; we know also, and we are proud to know, that the chief corner stone of our system of representative government is that the Ministry shall always be held responsible for the acts of the Crown. History tells us of the fate of

more than one Minister who was made to feel the weight of the people's anger on account of the bad advice given to the Crown. The governing doctrine is that the King can do no wrong. His Honour has made it clear beyond peradventure that he has acted and will act upon the advice of his duly constituted Ministers. This statement affords every possible guarantee that the people can wish for.

As the year went on and the protested seats were brought into Court, with all the unsavoury details of the Sault case and the unseating of several members, the demand for action by His Honour was more strongly expressed in some of the Conservative press, notably the Toronto *World*. To that paper, on Sept. 23rd, he strongly deprecated such a discussion and declared that there should be some limit set by the press in this connection. The *Globe* of the following day denounced those who were "trying to degrade" the office of Lieutenant-Governor and pointed to the personal devotion to duty of the present occupant of the position and to the fact that during his *regime* Government House had, to an almost unprecedented extent, become the scene of graceful and cordial hospitality. A branch of this subject, or at least a basis for the requested intervention, was the alleged popular Conservative majority. The general election majorities of 1902 were stated at 20,188 for the Conservatives and 15,291 for the Liberals. Adding to this the Centre Grey Conservative majority of 1,091 in 1898 (it went by acclamation in 1902) the Conservative popular plurality was 5,988. As against this were the figures in Ontario for various Dominion elections when the popular vote bore no apparent proportion to the number of representatives.

Meanwhile, in the House and the Liberal press, constant reference was being made to the administrative capacity and probity of the Government. Stress was laid in party speeches upon the organization of the agricultural work of the Province by the Hon. Mr. Dryden and his effective, energetic service for the farmers. On Feb. 23rd he made a notable speech in this connection in the Legislature. To the Hon. Mr. Davis much credit was also given for thrifty and conscientious administration of the Crown Lands, for wise timber legislation and for care of that great Provincial asset. Many also were the eulogies of the Treasurer and his predecessors as possessing the only substantial surplus amongst Canadian Provinces. In this connection it became known on Mar. 16th that, on the preceding 30th of December, the Government had granted another of its large pulpwood concessions to, in this case, the Dryden Board Mills Company, Limited, of Dryden. Without going into the details of the contract, which were along lines similar to preceding ones, it may be said that the Opposition criticism was based upon the grant being made without publicity or competition. On May 12th it was announced that in pursuance of an Act passed in 1902, the Hon. Messrs. F. R. Latchford, John Dryden, and R. Harcourt had been appointed as the Railway Committee of the Executive Council with Mr. Latchford as Chairman and with jurisdiction, subject to the Legislature, over steam railways and electric street railways.

On April 8th Mr. Whitney addressed a Conservative banquet in Toronto and took occasion, as he had at Woodstock, to refer to Mr. R. R. Gamey in most friendly terms as one who had not been fairly used and who had, consequently, won the sympathy of all right-minded people. The "man from Manitoulin" also spoke—as he had been doing of late throughout the Province. Some reference must be made to this campaign of vindication, or vengeance, or whatever it might have been on Mr. Gamey's part.* There was no doubt that the people wanted to hear and see him; that they listened to his case with attention, frequent conviction and much Conservative enthusiasm; that he influenced the electorate in a very considerable degree against the Ross Government and the Hon. Mr. Stratton—if not directly for Mr. Whitney or the Opposition. During 1904 he spoke at Port Perry, Welland, Niagara Falls, Lindsay, Dunnville, Bradford, Orangeville, Barrie, Allliston, Aurora, Newmarket, Napanee, Deseronto, Owen Sound, Meaford, Woodstock, Almonte, Shelburne, Stayner, Creemore, Smith's Falls, New Hamburg, Parry Sound, Oshawa and a large number of other places. His most important meeting was held in Massey Hall, Toronto, on May 30th, with an audience crowding the building to the doors, following closely and cheering frequently during two hours and a half of a condensed and yet luminous history of the famous case.

It was a remarkable incident both as showing the influence which Mr. Gamey had obtained over public opinion; and the acquired skill or natural gift of oratory which he possessed. He reviewed the early history of the negotiations, first indicating the difficult position of the Ross Government after the elections of 1903 and their return with a shifting majority of one to three. Then came the visit of Sullivan, the alleged "machine" man of the Government, to Gore Bay and his offer of three alternatives to Mr. Gamey—resignation of his seat in view of the pending protest; facing a trial in the election courts which would involve heavier costs than he could meet; or acceptance of $5,000 in cash to support the Government, coupled with the patronage of the riding and abandonment of the protest. The latter one he accepted and for a while, as everyone knew, he did support the Government.

Then came the determination to bring the matter home to the Ministry and convict them in the eyes of the public. Whether this decision came from a revolt of conscience against his own position, or from a full realization of what he would continue to suffer at the hands of his late colleagues in the House and Conservative supporters in his own constituency, he did not say—though in other speeches he had indicated this action to have been his intention from the very first. He proceeded to trace the history of the affair, to quote letters, to read from the Commissioners' Report and to bring home to the Government in clever and bitter

* NOTE—See historical record of the Gamey Case in *Canadian Annual Review* for 1903, pages 126-148.

fashion the charges so often made before. To him a spade was veritably a spade and he described the Premier as a hypocrite; the *Globe* a condoner of "bribery, perjury and corruption"; and the Commissioners as not Judges but men chosen by the accused to try their case and then report "forty-eight pages of whitewash" containing some false statements and many inaccuracies and inconsistencies.

During the Lieut.-Governor's absence from the city later in the Summer, Chief Justice the Hon. Charles Moss, was sworn in as Administrator. At Newington, on Aug. 3rd, Mr. Whitney addressed a meeting accompanied by Mr. Gamey whom he described as a "trusted supporter." In the course of his speech he stated that he had been approached and offered a position in a Coalition Government having an equal number of Liberals and Conservatives but had declined to be mixed up with men of such records as his opponents. As the Autumn and Winter approached, with the Dominion general elections on deck and the Provincial ones in the offing, criticism and comment and controversy grew keener. On Sept. 3rd, the *Globe* described the Ross Government as essentially one of work and achievement despite their small majority and the devices of the Opposition. "On the development of New Ontario, the clean, business-like construction of the Provincial railway, and the re-creation of the Sault industries, the Ontario Government is to be heartily congratulated by all classes of the community." Speaking at a Toronto Exhibition Luncheon on Sept. 7th President W. K. McNaught paid a Conservative tribute to the Hon. Mr. Dryden as "the greatest Minister of Agriculture we have ever had." On Sept. 26th the *Globe* had one of those curious editorials—like its "coalition" and "barnacle" articles—which rejoiced the hearts of the Opposition. It was a censure of the pre-occupied or stay-at-home citizen, as well as of the active local politicians, for existing conditions:

> In the last reckoning responsibility for the corruption that has made politics a byword in this Province rests, to a degree, on the honest, respectable, high-minded citizens. True, they are not guilty of the political crimes which they regard with indignation and shame. They did not do the illegal and immoral thing. But they permitted others to do it. . . . In the last reckoning responsibility for the electoral crimes committed in any constituency rests directly and immovably on the candidate and his leading local supporters and those who should be active in his support. They know, or they ought to know, what is being done and who are doing it. When the men of character and intelligence in any constituency undertake to manage their own campaign work the 'stranger' from outside will find his occupation gone.

The Meeting and Work of the Legislature

The second and last Session of the tenth Legislature of Ontario was opened at Toronto by the Lieutenant-Governor (Mr. Mortimer Clark) on Jan. 14th. His Honour's Speech referred to the important subjects of municipal assessment and railway taxation as matters which would be placed before them for consideration; mentioned the "continued efficiency" of the public

institutions of the Province and the efficacy of measures taken to improve the general sanitary condition of the people; described the results to the farmers of a bounteous harvest; the increasing attendance at the Agricultural College and the generosity of Sir W. C. Macdonald toward that institution; referred to the continued progress of the lumber industry, the excellent prices paid at the recent timber limit sale despite the doubling of dues and ground rents, and the steps being taken to set aside Forest Reserves and protect this great resource of the Province; mentioned recent discoveries of new and valuable ores and the special efforts of the Government to bring out farm-help from England; dealt with the "satisfactory progress" of construction on the Temiskaming and Northern Ontario Railway and its proposed extension to a junction with the G.T.R.; and promised legislation improving the License laws, amending the Assessment Act, conserving the timber limits, amending the Election Act and enabling Municipal Councils to combine the local school boards in one Board of Education.

During the prolonged and frequently stormy Session which followed, and lasted until April 26th, some important legislation was presented and carried which included a municipal taxation measure; the Government guarantee as to the Algoma Central Railway and the Sault Industries; Provincial guarantees to the James Bay Railway and the Grand Trunk from Thunder Bay to join the Grand Trunk Pacific; and a measure transferring certain taxes at Sturgeon Falls to a Roman Catholic Separate School. There was no license legislation and a feature of the Session was the growing part taken by Mr. R. R. Gamey in its proceedings. The debate upon the Address commenced on Jan. 15th when it was moved by Mr. C. N. Smith of the Sault, and seconded by Dr. Morley Currie. In following, on the 18th, Mr. J. P. Whitney, as Leader of the Opposition, reviewed the general position of the Government and denounced them for having no real programme except that of escaping the election courts; criticized them for not further aiding the University of Toronto and suggested consideration of a plan for helping towns and villages in carrying out a scientific system of sewerage; favoured the removal of every restriction upon the Local Option system and its thorough application wherever the people wished; recited a list of pledges which he declared the Government had failed to carry out, including the Premier's 1902 programme as to nickel, cold storage, dressed beef and good roads; reviewed the West Elgin scandal and spoke of the influence which Mr. Gamey was having upon political conditions.

He believed it to be true that "Mr. Gamey was more popular than any of the Ministers of the Crown" and could poll a larger personal vote in any individual constituency than any one of them. Mr. Whitney dealt with the wave of indignation against the Government which was, he believed, sweeping over the Province and read extracts from various Liberal papers indicating their "dissatisfaction and disgust." He offered to facilitate the voting of

supplies if the Premier would consent to adjourn and let the election trials go on; and concluded with a prophecy as to the future when the Opposition would be in power. "We do not propose to take any revenge for exclusion from office. We propose to do justice to the reasonable and righteous demand of the University of Toronto, and to furnish school-books to the children. We will trust the people of Ontario, and doing so, we will believe that the people of Ontario will trust us in return."

The Premier replied with much of his characteristic eloquence. He did not see any wave of indignation. Out of eight bye-elections since May, 1902, the Government had carried five constituencies—three by increased majorities and two as reversals of the general election vote. He declared that the loss of Muskoka was due to Mr. Mahaffy's promise of larger road grants, cheaper school-books, etc. As to the meeting of the House it was quite customary to meet in January and there had been 15 Sessions called in that month from time to time. The business of the country demanded it and if they had waited for the elections and their results the Legislature might not have met until July. Authority was especially needed for the extension of the Temiskaming Railway. Mr. Ross also pointed to the fact of petitions having been pending at various other times when the House was called together. The Government had nothing to do with fixing the date of trials and he accused the Opposition of postponing them so as to force on a general election.

He denied unfriendliness to the University and pointed to the many ways in which he had aided that institution as Minister of Education and as Premier. The new estimates would contain $90,000 for the University for maintenance and $50,000 towards the Convocation Hall while the Government were also spending $300,000 upon the new Science Building. As to his pledges $2,000,000 had been invested in the Nickel industry during the past year or two and cold storage was becoming more and more popular and available. Thorough investigations had been made and the law amended to meet the political crimes revealed in the election courts, while more than 20 persons had been fined or imprisoned for corrupt practices. He criticized the *Globe* for its "barnacle" article* and added: "I would sooner have a few barnacles on the vessel than a pirate on board the ship"—a reference which the Liberal organ at once applied to Mr. Gamey. "Many a good ship of the line sails the untrodden seas with a few barnacles, and lands in port with a precious and noble cargo, but very few ships with pirates on board, and unskilled captains, land at the desired haven." Mr. Ross concluded with a description of the Opposition Leader as "a stormy petrel with a stock of vituperation."

On the following day Mr. J. J. Foy moved an amendment to the Address censuring the Government for its delay in filling the

* NOTE—See *Canadian Annual Review* for 1903, page 124.

Cattle Ranch at Nicola, British Columbia.

North Renfrew vacancy and especially for ordering the writ of election to be withheld. In his speech Mr. Foy charged the Premier with shirking his duty to the Province in order to stick to the barnacles who stuck to him. "The Government ship was full of barnacles *plus* the pirates." He severely criticized the constitutional aspect of the prolonged vacancy in North Renfrew. "The law said the writ should issue, common sense said the writ should issue, justice to the riding said the writ should issue, and yet gentlemen opposite assumed the right to interfere with the course of the law and to virtually suspend a statute which this Parliament alone had the right to suspend." To this amendment Mr. W. H. Hoyle proposed a rider protesting against the calling of the Legislature so as to shut off the election trials. The Hon. E. J. Davis, in speaking upon this point, stated that he had personally objected to the calling of the House. "I urged, or I told them (his colleagues in the Cabinet) that my personal preference was that the House should not meet until after my election protest had been settled by the Court." A prolonged debate ensued and lasted until the vote was taken on Feb. 4th with 48 in favour and 45 against the amendment by Mr. Hoyle. Then Mr. E. J. B. Pense moved to amend and nullify Mr. Foy's motion regarding North Renfrew by expressing "pleasure that every electoral district in the Province is now represented in this Assembly" and this was carried by 48 to 45 as was the Address immediately afterwards.

During this debate many other subjects had been dealt with including a careful consideration of the Attorney-General's attitude to what was known as the Toronto Junction Pool-room case wherein he claimed the law did not allow him to act; the technical question raised and then dropped by Mr. M. G. Cameron as to whether Mr. Dunlop legally represented North Renfrew where his predecessor had died before being declared elected; the position and conduct of Mr. Gamey who came in for constant criticism and defence. The principal speakers in addition to those already mentioned were Mr. G. P. Graham, the Hon. J. M. Gibson, Dr. Routledge, Mr. W. Rickard, on the Liberal side and Messrs. J. W. St. John, A. A. Mahaffy, J. P. Downey, Beattie Nesbitt and R. R. Gamey on that of the Opposition. Mr. Gamey's speech on Feb. 3rd attracted a crowd of listeners to the Gallery and it was as usual vigorous and caustic. In the House on Feb. 9th the Hon. Mr. Ross introduced his annual Budget as Provincial Treasurer and during the ensuing debate Mr. E. A. Dunlop, the Conservative victor in North Renfrew, made his maiden speech on the 17th. On Feb. 25th the debate was concluded by an Opposition amendment regarding the Sault payment of wages, etc., which was lost by the Government majority of three—47 votes to 44. On Mar. 18th a stormy episode occurred when the Government temporarily lost control of the House owing to their majority being absent and withdrew a motion to adjourn only to accept a little later Dr. Beattie Nesbitt's motion to the same end.

Eleven days later the House witnessed a prolonged fight against defeat by the Government which faced a hostile Opposition with a majority of the votes present. Dr. Nesbitt had introduced a motion expressing the opinion that no Provincial subsidies should in future be granted to railways except upon the express condition that the passenger rate should not at any time exceed two cents a mile. The Government would not accept this nor could they let it go to a vote without defeat, or the use of the Speaker's vote, so they put up speaker after speaker to debate the matter until by special trains or otherwise, they could get together a majority. Mr. T. H. Preston moved an amendment declaring that every effort should be made in the direction indicated, compatible with preceding policy, and the prospective earning-power and cost of construction in such railways. As evening passed into night, and then into morning, the weary discussion dragged on its way, until at 7.45 a.m., the absentee Liberal members—Messrs. Clarke, Guibord and Stock—arrived, the last by special train. A vote was then taken with a Government majority of 44 to 41.

An important item of legislation during the Session arose out of the North Renfrew case. The Government introduced and passed a measure providing that if a writ for a bye-election were not issued within a certain time after a vacancy was created it should be the duty of the Clerk of the Crown in Chancery to issue a writ, set the date of the election, and carry out the necessary details. With Mr. Whitney's approval it was decided to make the time three months. The Government's policy toward the University of Toronto was debated on April 19th in connection with an amendment of the Act providing that the President of the University should report to the Government regarding the work and duties of his staff. The proposal passed in due course.

A more important measure was the Assessment Act proposed and put through the House by the Hon. Mr. Gibson and passing its final stages on April 18th. After defining various exemptions —Government, religious, educational, municipal, machinery of certain kinds, incomes of certain persons, dividends, etc.—it established the ordinary exemption of income on personal earnings, in cities up to $1,000, in towns up to $700, non-householders up to $400. The personality tax was abolished and a business tax substituted which made assessment of real property the basis for the taxation of a merchant's personality. The various classes and occupations affected, and individual incomes concerned, were enumerated and classified under specific rates and the Act was to come into force on June 1st, 1905. Incidents of the varied discussions which took place in Committee were the lowering of hotel taxation, the taxing of departmental stores, the protest of the Manufacturers' Association against a tax on dividends, the objection of the wholesale merchants to a higher rate than the manufacturers and of the latter, under certain conditions, to being regarded as wholesalers. In moving the second reading on Feb.

16th the Hon. Mr. Gibson had described preceding Provincial measures from an Act of 1793 upward; explained the work and conclusions of the Royal Commission of Inquiry in 1902; thanked Messrs. Whitney, Foy and Hoyles for their co-operation in Committee; and dealt with the difficulties of fixing rates in the business tax, of equalizing assessments generally, and of applying taxation to railways, telephone companies, etc.

Another Act of the Legislature of some importance was the restoration to Mr. E. S. Jenison of certain lapsed water-power rights in the Kaministiquia River and the Kakabeka Falls after a period of three years in which the Town of Fort William had held them and then transferred them to Mr. F. H. Clergue and his associates. The contest between the rival capitalists was keen both in Committee and the Legislature, but the latter won out after declaring that $100,000 had already been spent in development and that $10,000 had been deposited to the credit of the Town of Fort William to be forfeited if he failed to carry out the terms of his contract. Legislation was also passed under Government initiative consolidating school boards in cities and towns, supplying free text-books to rural schools, improving public libraries and extending technical education work. The clauses in the Lord's Day Act rendered doubtful in application by a recent Privy Council decision were re-enacted. Amendments to the Factory Act were passed and the Assembly was prorogued by the Lieut.-Governor on April 26th after the longest Session of Ontario's record and the passage of 107 bills. During the Session the Opposition had placed themselves on record in a number of amendments or motions, not already mentioned, and of which the following is a summary:

March 8th. Support of the Government in a memorial to the Dominion Government asking Federal aid by subsidy to the Temiskaming Railway.

March 14th. In favour of a memorial to the Dominion Government asking prohibition of the export of natural gas from Ontario into the United States, or failing that, an equitable export duty upon natural gas.

March 28th. Opposition to any subsidy in land or cash being hereafter granted to any steam or electric railway except upon the express condition that the passenger rate upon such roads shall not exceed at any time two cents a mile.

April 23rd. In favour of including in the Sugar-Beet bonus legislation a provision securing directly to the farmers producing sugar beets a bounty on each ton produced and sold by them.

April 23rd. Regret that the Government had paid Sir John Boyd and Chief Justice Falconbridge the sum of $3,500 each for their services as Commissioners in the Gamey case while they were at the same time in receipt of full pay as Judges of the High Court of Ontario.

Interviewed by the *Mail and Empire* on Apr. 30th Mr. Whitney vigorously denounced the policy of the Government during the Session, predicted their collapse as soon as the people could get a chance at the polls and, in referring to the pending election trials and the vote of Messrs. Conmee and Bowman on the Sault matter, said: "It may indeed easily turn out that the

immense grant to the Grand Trunk Pacific Company, as well as the $2,000,000 Sault guarantee were voted by men who had no right to sit in the House."

The Government Policy toward the Sault Industries

The most important matter dealt with by either the Government or the Legislature in this Session was the industrial and financial collapse at Sault Ste. Marie. When the Clergue failure and the closing down of the great industrial edifice occurred on September 18th, 1903,* the Government undertook to guarantee payment of wages due the employees of the concern—who were suffering much hardship as a result of the disaster. Some eight or nine hundred workmen and also the high-salaried officials of the Company were ultimately paid whatever was due to them at full rates. The payment was made by the local banks under guarantee from the Government which held security for re-payment in an already earned but not conveyed land subsidy to the Algoma Central Railway—one of the many subsidiary concerns of the Lake Superior Company. Incidentally a bye-election was pending and the Opposition claimed that the payment was not only a dangerous precedent—though perhaps justified as to the workmen under the circumstances—but was intended to operate as a large bribe to the constituency and, so far as the payment to officials of sums such as $6,693.45 to President Shields, $1,606.45 to Vice-President Coyne, $1,455.77 to Comptroller Wynn, $2,645.16 to Superintendent Lewis was concerned, it was declared to be unnecessary extravagance if not palpable corruption. Many officials received pay for three weeks after their engagements had terminated though, no doubt, they were rendering active service to the suspended Company. On Feb. 16th a return was laid before the House giving details of all payments in this connection.

In the Legislature on Feb. 16th Mr. J. S. Hendrie drew attention to this subject; claimed that the only justification for such payments was in the distress of the workmen; and asserted that the officials had assisted in bringing about existing conditions and deserved no special consideration. Nine days later the Hon. Mr. Gibson defended the Government's action. If only the payment to the higher officials was objected to the criticism dealt with about 6 per cent. of the total amount. The Government would lose nothing as the security was ample and negotiations now on foot would result in the re-opening of the works. The Opposition Leader claimed in reply that this so-called security had never passed out of the possession of the Crown because conditions had not been met by the Company. As to the payments they should have followed the law in similar payments by insolvent estates when the list included only foremen, mechanics, or other workingmen. Mr. J. J. Foy moved a Resolution stating that "this House approves of the payment, under the authorization of the Government of the Province, of the wages owing to foremen, mechanics,

* NOTE—See *Canadian Annual Review* for 1903, pages 512-515.

workmen, clerks and labourers and the other working-men in the employment of the Lake Superior Consolidated Company at Sault Ste. Marie, Ontario, in order to prevent distress and avoid disturbances, but disapproves of the payments" made to various high-salaried officials who were enumerated in direct terms. The motion was lost by the usual Government majority of three.

Before leaving this branch of the subject it may be said that the first Order-in-Council authorized these payments up to Oct. 1st, 1903. Accounts were afterwards certified by Mr. G. A. Harcourt, on behalf of the Government, up to Oct. 19th and then confirmed by Order-in-Council on Dec. 31st. In the Public Accounts Committee during March several stormy scenes occurred in the investigation of these payments and the Opposition pressed their questions upon various witnesses with a view to proving improper use of the money expended. Both Mr. Harcourt and Mr. H. L. Drayton, who went up to the Sault in a legal capacity for the Government, testified that their payments to officials were made under personal instructions from the Attorney-General (Mr. Gibson). Mr. Drayton believed that the Order-in-Council contemplated these additional payments. He added, on Mar. 29th, that inquiries were very strict and no man got any money by fraud. All advances were found to be justified by promotions, while many cheques had been refused payment and the Banks had aided the Government agents in preventing any padding of the lists.

Meanwhile, on Feb. 27th, the Hon. Mr. Gibson had hinted in the House at a possibility of Government assistance being given to the re-organization of the great industries which still lay dormant at Sault Ste. Marie. For months past plans had been formed and discussed and re-arranged and now it was stated that the actual re-organization would be effected very shortly. As announced in the *Globe* of the 28th the new Company would have a capital stock of $40,000,000, income bonds of $3,000,000, first mortgage 5 per cent. bonds of $10,000,000, with certain defined arrangements for shareholders in the late Consolidated Lake Superior Company. The re-organized concern was to start with a cash working capital of $1,000,000; materials on hand of $1,000,000; first mortgage bonds in treasury of $2,000,000. All debts were to be funded with fixed charges of about $600,000 and General Manager Cornelius Shields estimated that the works would earn 7 per cent. upon the capital within two years.

On March 8th the Premier introduced a measure to aid in this re-organization by means of a Government guarantee to the Algoma Central Railway Company (one of the subsidiary interests of the late Consolidated Company) of $2,000,000 worth of its bonds. Mr. Ross recapitulated the history of these great industries; the expenditure of $35,000,000 upon plant and development at the Sault; the suspension of the works and the loss of employment by about 5,000 men; the request made to the Government for a guarantee to assist in restoring the projects to a position of activity. The Government had viewed this request

favourably and proposed to do as the British Government had done with the Cunard Line and the West Indies' sugar planters and as other countries, including Canada, had done with their bounties to industrial interests. The Algoma Central had already received a grant of 7,400 acres per mile, or 1,600,000 acres in all, and ninety-one miles of this Line were now complete with valuable terminals and docks at Michipicoten and the Sault. On the completion of 110 miles, graded but not ironed, and 25 miles neither graded nor ironed, the road would connect with the Canadian Pacific Railway. Its prosperity, however, and completion were more or less bound up with the industrial welfare of Sault Ste. Marie.

It was, therefore, proposed to guarantee $2,000,000 worth of bonds which would enable the re-organized Sault Company to complete construction and equipment and, in return, to discharge and satisfy the claims of creditors of the Railway and the other industries (including the recent wages' guarantee by the Government) to the amount of $1,600,000 while binding themselves also to operate the railway for passengers and freight. The guarantee was for two years at 4 per cent. and, in case of default, the Government could take possession of the Railway and certain other properties. This security, he said, included the Railway costing $6,750,000, ships and barges costing $750,000 and 13½ miles of the Manitoulin and North Shore Railway costing $500,000. The new Company proposed to issue $10,000,000 worth of bonds and pay off Speyer and other debts, keeping $1,000,000 in hand for working capital and $2,000,000 of bonds in the hands of the Trust Company as collateral to the mortgage held by the Government. The security was therefore absolute and the result of the policy he described as follows:

> We are practically saving the thirty-five millions already invested; we are preserving to the Province all the pulp mills, veneer mills, sawmills, power plants, built at an immense cost but, mainly, we save the steel plant which we expect will be of much advantage in the development of our iron industry. Then, in addition, we get the Railway completed 225 miles and make valuable a large amount of land and extensive forests that otherwise would be of little value to the country.

Mr. Whitney resolutely opposed the proposal. It was a last desperate attempt to restore the Government's falling fortunes. Two members in the House—Messrs. Conmee and Bowman—were, he said, interested in the Sault industries and should not be allowed to vote. It was aiding a dying industry because no profitable investment of $35,000,000 could depend upon a guarantee of $2,000,000. The security he did not consider good because, if the Company could not run the Railway and make it a valuable asset the Province could hardly do so. The proposal involved, in any case, a bad principle and precedent. It was announced on the following day that the President of the re-organized concern at the Sault—the Canadian Improvement Company—was to be Mr. C. D. Warren of Toronto and with him, as another Canadian

Director, would be Mr. T. J. Drummond of Montreal. The policy and proposals were vigorously fought by the Opposition in the Legislature. On Mar. 21st the special issue in the debate was the right of Messrs. James Conmee and C. M. Bowman to vote in the matter and Mr. W. J. Hanna denounced these two members strongly. They had been creditors of the Lake Superior Consolidated Company and they were, he claimed, still creditors of a concern which was to greatly benefit by the proposed legislation and be enabled thereby to pay its debts—including the $400,810 for which Messrs. Conmee and Bowman had obtained judgment on Oct. 17th against the Algoma Central Railway Company.

This contract for construction, it was claimed by Mr. Conmee in reply, had been sublet to Foley Brothers who had obtained the judgment in question and, in any case, his claim was safe, through the withholding of certain Dominion subsidies. He totally denied any direct interest in the proposed guarantee. In reply Mr. Hanna declared the judgment obtained by Foley Brothers to be not the same as the claim of Messrs. Conmee and Bowman. Speaking to the *Star* of Toronto on April 4th Mr. F. H. Clergue contended that the security was ample for the Guarantee apart from the Sault industries altogether and that the aid to the latter was incidental and that if there had been no Sault disaster at all the policy of the Government would still have been a wise one.

To the *News,* on Sept. 6th, Mr. C. D. Warren stated that before the Premier would consent to present these proposals to the House he had obtained full information upon two points—(1) that the security was ample and (2) that the re-organization of the Company would be in the interests of the country. In the latter connection the collapse of the Sault industries had inflicted a serious blow upon the investment of United States capital in Canada and their re-establishment would do much good. The Clergue concerns, he added, were never bankrupt, they were only over-capitalized. To the Toronto *Telegram* of the same date Mr. J. W. Curran of the Sault *Star* (a Conservative) declared that the people of Northern Ontario, regardless of political affiliations, were unanimous in favour of the Government's proposals.

In the Legislature, on Apr. 8th, Mr. Premier Ross explained again, and more fully, the proposals of the Government in moving the second reading of his Bill. He gave a history of the growth and development of the industries at the Sault and a record of financial conditions as well as a clear view of the importance of the industrial interests to the Railway and the imperative necessity of the latter to the Sault interests. It was a purely business transaction, he said, which would "re-animate, revive, and re-vitalize" a great combination of Canadian industries. The men behind the present re-organization were: J. Berwind, Charles E. Orvis, A. P. Boller and W. L. Harrison of New York; Samuel Rae, A. D. Berwind, W. J. McCahan, C. S. Hinchman, J. Butterworth and T. S. Search of Philadelphia; G. B. Furrill of Orange, N.J.; Edmund Trowbridge of New Haven, Conn., and F. Hamlin

of Chicago; together with F. H. Clergue of the Sault. The Government would have the right to nominate three out of the nine Directors of the new Company. Mr. Whitney, in moving the adjournment of the debate, characterized the Premier's speech and proposals as a "book-keeping extravaganza."

The Opposition Leader went into the subject, at length on Apr. 12th. He commenced with a description of the Government's payment to the salaried officials of the late Company, preceding a bye-election in the constituency (Oct. 27th, 1903), as "open and scandalous bribery." There was no need for this proposed guarantee. When the bottom of existing troubles in the financial market had been reached these industries would be naturally re-habilitated and upon a permanent basis. The old Company had not carried out the conditions upon which the Algoma Central had been originally subsidized yet the Premier had then been just as optimistic as he was now. If the new Company could put up $18,000,000 of security, as the Premier intimated, they could not be in such dire need of the Government's $2,000,000 guarantee. The men behind the re-organized concern were in the main those who had backed the Clergue Company. In his opinion the only way the industries would ever recover would be by doing so in the ordinary business way. They were of too great a magnitude to be allowed to lie and rot. Mr. Whitney summed up his position as follows:

> Under no circumstances should we allow ourselves to endorse the Government's proposal to aid this industry, which on one hand is claimed to be struggling for an existence, but which, according to apologists in this House, is on the eve of becoming a flourishing enterprise. It is not the duty of the Government to become a party to a private undertaking. It will create a precedent whereby other struggling institutions will have just as much right to come to the Legislature for assistance.

The Hon. Mr. Gibson, in reply, stated that $3,000,000 had been either paid in or subscribed to the re-organization and was available as soon as the Government's plan was operative. This latter was justifiable in connection with the completion of the Railway alone and viewing the consequent salvation of the Sault as purely incidental. He believed the Canadian Improvement Company would pay off this liability in a year or perhaps six months. The guarantee would not come into effect until the pledges as to payment of the Speyers and other creditors and the provision of the $1,000,000 working capital had been carried out. Mr. Berkeley Powell (Apr. 13th) described the Sault industries as "an inflated bubble" and declared that if the $5,000,000 paid in dividends had been judiciously expended the collapse would not have occurred. Mr. C. N. Smith (Lib.), in speaking, attributed the failure to raise the necessary money at the critical time in 1903 to the opposition of the United States Steel Trust and the hostility of Canadian railway interests because of the promised duty on steel rails when the Sault mill should be ready. Mr. W. J. Hanna (Con.), in following, claimed that in the proposed

re-organization Canadian stockholders were being squeezed out in the interest of United States capitalists. The Hon. E. J. Davis on Apr. 14th, endorsed Mr. Smith's view of the U.S. Steel Corporation and declared that it had "persistently hindered and hampered the financial arrangements of the Consolidated Lake Superior Company, with a view to crushing the new industry and preventing the growth of a rival steel industry."

Mr. James Conmee also took this view as did Mr. A. G. McKay on Apr. 15th. Mr. J. W. St. John (Con.) declared that there was absolutely no proof for these assertions and maintained that the steel plant at the Sault was a failure making necessary the creation of a new one costing $1,500,000 and a smelter costing $2,000,000 before steel rails could be actually turned out. Mr. M. G. Cameron on Apr. 20th took the line that the Opposition was practically backing up the U.S. Steel Trust in its desire to have an opportunity of buying the dormant industrial plant at the Sault under mortgage foreclosure and with a view to putting a formidable Canadian competitor out of action. Mr. R. R. Gamey favoured the selling of the properties by the Speyers, under mortgage, with a subsequent re-organization. A notable speech was that of Mr. J. P. Downey on Apr. 21st against the Bill.

After a three weeks' debate the second reading was carried on the 23rd by 45 to 43 votes and the third reading by 46 to 43. The position in these divisions was a peculiar one. With a Government majority of three Messrs. Conmee and Bowman were charged with being contractors for the Railway which was being aided and the Provincial Secretary, the Hon. Mr. Stratton, was stated to be a Director in a Bank which rated as a creditor of the suspended Company. On the other hand Mr. J. S. Hendrie was a Director in a Company creditor and Mr. Walter Beatty had paid out moneys for the Sault Company which were still due. All voted, but the two latter, in favour of the proposals. The votes of Messrs. Bowman and Conmee were formally questioned and Mr. Whitney moved separately for their disallowance. Each left the House while the Government's narrow majority endorsed their action in this respect and each voted for the other in turn. Meantime, on Apr. 19th the *Globe* had given the following statement of the securities which Speyer and Company were to hand over to the Ontario Government in return for their guarantee:

First Mortgage bonds of the Algoma Central Railway	$ 6,750,000
First Mortgage bonds of the Manitoulin and North Shore Railway	405,000
Mortgage on Steamships	725,000
Algoma Railway stock	10,000,000
Manitoulin Railway stock	214,000
Algoma Central land grant worth, say	1,600,000
Dominion Government subsidy becoming due and payable on the completion of the Railway	450,000
Dominion Government subsidy due and payable	340,000
Covenant of the Canadian Improvement Company	2,000,000
Total	$22,484,000

The day after the measure passed it was announced that the new arrangements would be at once completed and the Sault industries start work again before long. Speaking at Chatham on May 4th Mr. W. J. Hanna dealt at length with this subject. It was not, he said, really a guarantee. "It is more properly a debt which this Province in two years will be called upon to pay, principal and interest, or, more properly still, it is a raid on the treasury of this Province by a band of political highwaymen who knew the Premier's ambition for office, and that he would sacrifice this Province, if need be, to hold his position, and who turned their knowledge to practical account." As to Messrs. Conmee and Bowman he handled them severely and declared that there had not been a time since the collapse, and prior to the passage of the guarantee, when they could have realized 10 cents on the dollar of their claim. Now their judgment was good for its face value. The *News* of Toronto also denounced these gentlemen strongly while the *Globe* pointed out that by an agreement made with Speyer and Company early in November, 1903, the interests of the Contractors in the Railway had been secured and guaranteed in addition to the holding back of the Dominion subsidies in order to meet such claims. The Speyer agreement had been made subsequent to the affidavit and judgment in their, or Foley Brothers', favour. On May 30th it was announced that the re-organization had been completed, the Speyer mortgage paid off, the new Company placed in possession of the works, and the required working capital in hand. An Order-in-Council was at once passed making the necessary guarantee of bonds for the Algoma Central Railway.

Railway Subsidies and Railway Taxation

In addition to the aid given the Algoma Central the Government during the Session carried an Act providing for the extension of the Temiskaming and Northern Ontario Railway's present terminus at New Liskeard (90 miles of road) to the projected Grand Trunk Pacific line, or in the words of the bill, "to a point on the Abitibi River or to a point in one of the townships adjacent thereto." The measure also increased the powers of the Government's Temiskaming Commission by enabling it to issue debentures for $30,000 per mile instead of $25,000; authorized the Government to transfer to the Commission portions of ungranted lands along the line of railway, adjacent to stations, for town sites and empowered the Commission to expropriate other lands up to 1,000 acres for each site; provided that the Government might from time to time transfer to the Commission, by way of loan out of the Consolidated revenue fund, a sum or sums, not exceeding in all $2,000,000 and to accept the bonds of the Company as security for the re-payment of the loan with interest at 3½ per cent. per annum. In the House on Feb. 5th the Hon. Mr. Latchford stated that various tenders for the bonds of this Railway had been declined and that arrangements had been made to borrow $2,300,000 for a short term at 5 per cent. On the 7th he introduced the legislation described above.

Considerable discussion of the measure took place. On Mar. 10th, in moving the second reading, Mr. Latchford described at length the Government's policy in the matter. The cost of construction would not exceed $25,000 per mile and the results would include the opening up of the country, a possibly large Summer tourist traffic, an increased value to the timber along the route and direct connection for Ontario with the Grand Trunk Pacific. The increase in bonded indebtedness was to cover equipment as well as construction. Mr. Whitney, on behalf of the Opposition, said he would not oppose the measure although it was hard to understand the basis for the Government's eulogies of the 16,000,000 acres of clay belt through which the road was to pass. The Premier described the Opposition as "a band of pessimists" in this and other matters and thought the Province quite equal to the conquest of its "back lands."

On Mar. 15th Mr. Denis Murphy (Con.) declared that no one objected to the extension but they did object to the cost and to the lack of information supplied to the House. He also criticized the slow construction of the Railway. Mr. J. S. Hendrie feared that the G.T.P. would probably build a branch 300 miles west of the point where the Ontario Government road expected to connect with it and on down to Sudbury and thence to Scotia Junction, or North Bay; thus cutting off the traffic which the Temiskaming was expected to tap. Colonel Matheson estimated that through changes of route and the exceeding of estimated costs the contractor for the road would make at least $500,000. Dr. R. A. Pyne thought the Government should operate as well as own the Railway—at any rate as an experiment. This proposal he put into an amendment on Apr. 6th to the effect that the line should be operated for ten years after completion by the Government of the Province through the Commission already constituted, or under such other conditions as the House might approve. The Premier described the motion as being without object. They could not sell the road without the consent of the Legislature or lease it without approval by the Legislature. He believed in Government ownership in many cases but the Government operation of railways had not been very encouraging in Canada. It was not reasonable that the Government should operate this Railway in the first ten lean years of its history and then perhaps lease it to some Company which would reap the profit of their management. Mr. Whitney supported Dr. Pyne's proposal as a useful experiment. The motion was lost without division and the Bill passed its third reading on Apr. 23rd by a vote of 46 to 43.

Another subject of popular discussion and Legislative action was the proposed James Bay Railway extending from Toronto to Parry Sound and thence to Sudbury with an ultimate aim of reaching James Bay itself. The Council of the Toronto Board of Trade on Mar. 14th passed a Resolution recognizing the fact of the Dominion Government having granted a subsidy to the line

from Toronto to Sudbury and the Ontario Government from Parry Sound to Sudbury and beyond; and urging the Provincial Legislature to grant further aid in such a manner as would ensure construction from Toronto to Sudbury, within two years, as promised by the Company if their application was accepted. After consideration, however, the Government decided not to grant a further subsidy but to guarantee the bonds of the road to the extent of $20,000 per mile or $5,000,000 altogether. The existing subsidy was for $4,000 per mile for 95 miles from near Parry Sound to Sudbury, or $380,000 in all; together with a subsidy of $2,000 per mile and 5,000 acres of land per mile for the line extending north from Sudbury to Lake Abitibi—a distance of 175 miles. These subsidies would be withdrawn in favour of the bond guarantee proposal. Messrs. Mackenzie and Mann were stated to be behind the project which was to form a link in the Canadian Northern System and serve Toronto as well as Beaverton, Orillia, Parry Sound, Copper Cliff and Sudbury.

The Government proposals were presented to the Legislature by Mr. Premier Ross on Apr. 7th. They were as already outlined and guaranteed the bonds of the Railway to the extent of $20,000 a mile for 265 miles, or $5,300,000, covering a period of ten years. The Railway was to be commenced at once and completed in four years; the Government's security was a first mortgage on the road—which was to be of high grade with adequate rolling stock, running rights for the C.P.R. or other lines and a special rate for settlers. Mr. Ross stated that the Railway would be valuable in two ways: 1st, it would give Ontario another system of railway connection with the West and he predicted that the Canadian Northern, of which the James Bay Railway would be part, would get running rights over the C.P.R. from Port Arthur to Sudbury; 2nd, the road north of Orillia would traverse a new country 50 miles wide between the Grand Trunk and the Georgian Bay. Much of it was good for settlement and bore large quantities of pine, pulpwood, and hardwood. The road would, he added, probably cost $30,000 a mile of which $6,400 would be furnished by the Dominion Government. The project was not opposed with any vigour by the Conservatives though amendments were proposed on the 3rd reading providing for the fixing of freight and passenger rates by the Government; for the striking out of guarantee provisions as to the mileage of the Railway between Toronto and the Township of Mara in Ontario County; and for a clause declaring that the maximum passenger rate should at no time exceed two cents per mile. The two former were lost on division, the latter declared out of order, and the Bill passed on a non-party vote of 48 to 20. An Order-in-Council was passed in June providing for this guarantee, dating from the completion of the Railway, and running for a period of thirty years at 3½ per cent. per annum.

The Grand Trunk Pacific Company also came before the Leg-

islature with an application for aid addressed to the Premier on Mar. 4th and especially pointing out the importance to Ontario of the branch lines of the Grand Trunk Pacific to Lake Superior and North Bay. On Apr. 7th Mr. Ross introduced a measure in this connection. It provided for a grant of 6,000 acres per mile and $2,000 per mile on some 200 miles of branch railway from Thunder Bay, on Lake Superior, to a point of connection with the Grand Trunk Pacific. The work was to commence within a year. Another item of legislation also provided for $10,000 of aid to the Huntsville and Lake of Bays Railway—a subsidiary Grand Trunk line. Mr. Berkeley Powell opposed the Grand Trunk Pacific subsidy on the ground of competition with the Temiskaming Railway. The Opposition also strongly disapproved the legislation and amendments were proposed to the 3rd reading eliminating the cash and land grants, and providing that should the Government of Canada at any time in the future take over this branch line of the G.T.P. the amount of the present cash subsidy and the value of the land grant should be repaid to the Province of Ontario. This latter amendment by Mr. Whitney carried without division and the 3rd reading then passed (Apr. 23rd) by 35 to 28.

The question of Railway taxation was largely discussed during this Session. The measure introduced by Mr. H. J. Pettypiece (Lib.), for a third time, in the Legislature proposed to amend the Assessment Act so as to tax railways. Upon its second reading (Feb. 29th) he expressed disapproval of a tax on gross earnings because in bad times the railways would pay very little and to a flat tax of so much per mile because it was unfair to the smaller roads. The better way was an *ad-valorem* tax upon railway property managed through a Commission. The railways were now discriminating against the people of Ontario in favour of Americans and charging rates 25 per cent. higher in Canada than on the United States side. They could not, he contended, raise rates in Ontario under taxation because the traffic was now standing all it could bear. Mr. W. H. Hoyles opposed the measure on the ground that municipalities could manage better than a Commission; that it would be unfair to distribute such taxation equally amongst all municipalities because some had bonused railways to the extent of $30,000 per mile and others not at all; that a general system of taxing railway real-estate by municipalities would be better.

It may be added that, in detail, Mr. Pettypiece proposed to have a Provincial Board of Assessors, three in number with a permanent Secretary, for the purpose of valuing "at its true cost and value" the property of all railway, telegraph, and telephone companies; taking into account in the case of railways the cost of construction, the earning powers, competitors and other factors entering into commercial values. The rate was to be the average rate of the municipalities. There was a good deal of political bye-play

regarding the Bill during its 2nd reading on Mar. 30th and final passage into the hands of a Select Committee on Apr. 6th. The Government were supposed to be anxious to suppress the proposal for the Session and Mr. Pettypiece to be hesitating whether he should oppose his party friends or consent again to the postponement of his cherished policy. On Apr. 12th the Hon. Mr. Dryden reported for the Select Committee (of which Mr. Pettypiece was a member) expressing the belief that the railways of the Province could bear additional taxation and recommending that a Commission of three persons be appointed to collect information upon the general subject in the United States as well as in the Province. The Report was concurred in on Apr. 23rd by a vote of 38 to 35.

The Sturgeon Falls School Controversy

A curious incident of mixed religious and political controversy, in the Legislature and out of it, was the Sturgeon Falls School case. It was small in its details but was claimed to be important in principle. Stated very briefly it turned upon whether the sum of $60 per annum for 20 years, or $1,200 in all, should or should not be paid by the Public School Trustees of Sturgeon Falls to the local Roman Catholic Separate School Trustees out of the school taxes of a certain bonused industry and in conformity with an agreement reached by the two Boards to that effect in 1898. The agreement was an elaborate one and was signed by the officials of each Board. In point of fact, however, it was really inoperative and the contract invalid until approved by the Legislature. Questions were raised regarding the reasonableness of the contract and the good faith of each of the parties to it while papers like the Toronto *Telegram* endeavoured to revive the old-time issue of Protestant *versus* Catholic schools and the sectarian application of public moneys. Mr. J. Michaud, M.L.A., of Sturgeon Falls, gave the *Star* of Apr. 12th the following figures of assessment in this connection:

Separate School ratepayers, without Pulp-mill	$ 379,915
Public School ratepayers, without Pulp-mill	353,299
Pulp-mill	535,325
Total	$1,268,539

The Pulp-mill assessment would, by the agreement, be divided as follows:

Public Schools	$ 515,325
Separate Schools	20,000

On Mar. 10th a petition was presented to the Legislature from the Separate School Board of Sturgeon Falls asking confirmation of the agreement of 1898 and on the following day Mr. Michaud introduced a measure to this effect. Five days later a petition from the Public School or Protestant ratepayers of the same place was presented asking that this measure should not pass. Quite an agitation ensued and ultra-Protestant circles were considerably disturbed while politicians of both sides looked with alarm at anything verging on a sectarian controversy. Resolutions were passed

by the Union School Board of Somerville, the Cornwall Public School Board, the Board of Thessalon Township, the Toronto Board of Education (in a slimly attended meeting) and other bodies, protesting against "the handing of Public School taxes over to a Separate School Board." The Belleville *Intelligencer,* Sir Mackenzie Bowell's paper, described the proposed legalization of the arrangement as most disreputable; Mr. Jeffrey A. McCarthy, of Barrie, revived memories of the old Equal Rights movement in a vigorous protest; the *News* of Toronto denounced both parties in the Legislature for alleged pandering to the Catholic vote; the County Orange Lodge of Toronto on Apr. 11th passed a Resolution expressing indignation at the proposed action of the Legislature and declaring it "a menace to Protestant interests all over the Province."

Meanwhile, there was a good deal of local excitement at Sturgeon Falls and of feeling aroused between the Protestants and Catholics. It was claimed, incidentally, that the present Imperial Paper Mills Company was not the original one which had accepted the agreement and was neither responsible for its terms nor willing to confirm them. On Mar. 28th at a large meeting of Public School ratepayers the Solicitor of the Company expressed their opposition to the agreement and to its confirmation and several ministers spoke against it with much earnestness, while an Address to the Lieut.-Governor was unanimously adopted asking him to withhold his sanction to Mr. Michaud's Bill.

It was decided also to urge the Public School Board to resist the legislation by every legal means. On Apr. 8th Dr. Beattie Nesbitt moved in the Legislature, seconded by Dr. R. A. Pyne, that "the Public School supporters of Sturgon Falls be permitted to appear, with counsel, before the Bar of this House for the purpose of stating their case." This motion was lost on a non-party vote of 52 to 14—Mr. Ross and Mr. Whitney both voting against it. Every effort was made to keep the question out of the party arena and the press, with two or three exceptions, did its share in avoiding comment. An unpleasant feature of the incident was the apparent fact that the local Public School Board had originally voted for the agreement because certain members understood it was illegal and could never be enforced. The Lieut.-Governor duly received the Memorial from Sturgeon Falls and asked some questions in a correspondence which was afterwards published but, in due course, the measure confirming the agreement received the Royal assent on Apr. 26th.

Provincial Election Protests and Trials

The most unpleasant feature of Ontario politics during 1904 was the corruption revealed in a number of protest trials which took place, after a prolonged delay of many months and including North Grey against A. G. MacKay, K.C.; North Perth against John Brown; North York against Hon. E. J. Davis, Commissioner of Crown Lands; North Norfolk against A. M.

Little; Sault Ste. Marie against C. N. Smith; Centre Bruce against Hugh Clark; North Renfrew against E. A. Dunlop and Muskoka against A. A. Mahaffy. The last three were Conservative seats and may be dealt with first as being most easily disposed of. In Muskoka there were 120 charges against Mr. Mahaffy and Messrs. Osler, Flavelle, Brock, Foy, Kemp, with other prominent Toronto Conservatives who, in 1902, had organized a Fund for political purposes which, it was claimed, had been applied on this occasion to corrupt and illegal uses. Expenditure of money was freely charged and names of alleged agents given. On Sept. 8th the Liberal petition was dismissed with costs and Mr. Mahaffy sustained in his seat. In Centre Bruce the trial opened on Sept. 20th before Chief Justice Moss and Mr. Justice Street. Mr. H. H. Dewart, K.C., for the petitioner, stated that while confident of corrupt practices having existed his client could not prove agency and therefore offered no evidence. The Chief Justice thereupon dismissed the case with the following pleasant words for Mr. Hugh Clark:

> The result shows the value of the prudence that has been pursued by the respondent in this case in relying on the support of his friends and the voters, and not upon outside assistance, or, as perhaps it may be termed in some cases, interference. It must be gratifying to him to find that by his own unaided efforts he has succeeded in carrying the constituency. With regard to what has been said in regard to corrupt practices we have to assume that none can be proved or they would be presented to the Court. The election was of a pure character, and, as far as we can see, the respondent can boast of it.

In North Renfrew the result was more complicated. It had been known that in the celebrated bye-election of 1903 in that constituency both candidates—Mr. E. A. Dunlop and Mr. Lorn Hale—had spent considerable sums of money and, on Apr. 30th, a certified statement by the former was published showing his expenses in detail at $7,278.19, including $3,810 for "livery and driving." There was a petition against Mr. Dunlop and a cross petition against Mr. Hale for the Judges to deal with on Sept. 27th when the case came up but the proceedings at the trial were very brief. Mr. A. B. Aylesworth, K.C., for the Liberal and defeated candidate said he had no evidence to offer as did Mr. I. F. Hellmuth, K.C., with the cross petition. Both were therefore dismissed and at the same time Mr. Dunlop issued a statement announcing his resignation of the seat by agreement with his opponent and on the ground of some possibly technical violations of the law which might have unseated him.

On Oct. 5th a sensation was caused by Mr. Hale's examination in a suit brought against him for certain election expenditures in the preceding December. The Liberal candidate stated in his evidence that he had no idea of what it would cost him or that he would have had to bear the brunt of the expenditure; that the Hon. Mr. Stratton had assured him in Toronto that the Government were sending people down to help run the election; that

Mr. Stratton had told him "they were going to be responsible for everything" and that "all I had to pay was my personal expenses"; that instead of this he had been compelled to pay out $10,000 beyond his personal expenses; that James Vance, the Liberal organizer, had also assured him of this outside help; that the "Government crowd" came down and ran things and that this particular debt was one contracted by them. The newspapers published a statement emanating from Mr. Hale that the total expenses on his side had been $40,000 but this he afterwards denied having said. Both Mr. Stratton and Mr. Vance in Toronto denied having ever discussed expenses with him. To the Ottawa *Citizen* on Oct. 7th Mr. Hale spoke indignantly in this connection and declared that he stood by every word of his examination. "I went to Toronto, I saw Stratton and Vance and what I have stated took place."

Of the Liberal trials that of North Norfolk took place on Sept. 27th, at Simcoe, before Chancellor Boyd and Mr. Justice Teetzel. Only a small portion of the evidence was gone into but this clearly indicated bribery by a "mysterious stranger" who freely distributed $10 bills in company with a local man named Baker. There were 685 charges altogether but agency was admitted in the first charge and the seat voided at once. In North Perth there was a petition and counter petition. In the Conservative one Liberal leaders such as the Premier and Mr. Stratton were mixed up with men like "Cap" Sullivan and other "Machine" workers; while the Liberals charged the gentlemen connected with the Conservative "Purity Fund" of 1902, and others, with an attempt to corrupt the riding. The trial opened on Sept. 6th and Mr. Brown's election was voided after two admitted agents had been proved guilty of offering $5.00 in each case for votes. The Conservatives claimed that in both this case and North Norfolk evidence of most pronounced corruption had been evaded by letting the seat go on the first charges presented. In North York, on Sept. 21st, the trial of the petition against the Hon. Mr. Davis commenced and, after considerable evidence had been offered regarding one briber whose agency could not be proved, the Commissioner was unseated on the following day for having engaged a person to do election work who had been reported by the Judges for a corrupt act in a previous election. Mr. Davis believed that the act of the man in question (hiring a vehicle in a North Grey election) was not corrupt, although illegal, and hence his allowing him to do active work in his own contest.

On Sept. 13th there commenced at Sault Ste. Marie one of the most sensational election trials in Canadian history. During a four days' investigation before Mr. Chancellor Boyd and Mr. Justice Teetzel bribery of voters with money, whiskey, free board and "loans"; swearing of fraudulent voters on bogus Bibles; personally-conducted parties from outside places such as in the *Minnie M.* affair; organized and active work for the Government

by the Algoma Central Railway; were all proven. By the evidence of half-a-dozen witnesses it was shown that a gang of 20 personators were sent up by the Liberal workers and organizers from the Michigan side of the Sault to vote at Helen Mine and Michipicoten Harbour where some 36 votes, all told, were fraudulently put in. These men were carried on the *Minnie M.*, a boat belonging to one of the Allied Companies of the Sault, and their journey was made pleasant by abundance of free whiskey, beer and cigars. The trip was managed by a man named Kennedy, *alias* Ferguson, who possessed a thick "wad" of bills when he started but very few when he returned. The deputy returning officers at these distant and isolated polls—both Government officers—swore that they did not know the local voters so that the personation was rendered easy.

A special feature of the evidence was the fact that the coming departure of the vessel containing these "pluggers" became known and that Mr. A. C. Boyce, on the eve of its departure and at a public meeting in the presence of the Hon. Mr. Gibson, Attorney-General of Ontario, read a letter of warning written by Mr. A. Miscampbell, the Conservative candidate. It was dated Oct. 24th, 1903, and stated that upon substantial grounds he desired to advise him, the Attorney-General of the Province, that a steamboat named the *Minnie M.* had been chartered by local Liberal workers and was about to leave for the Michipicoten district with a gang of United States personators on board. He asked that an adequate police force be sent up to guard the polls which were threatened with such an outrageous attempt to strangle the voice of the people. According to Mr. Gibson's reply, as given in the *Globe* of Oct. 27th, following, he declined to believe that anything of the kind was contemplated:

> It looked like a desperate play on Miscampbell's part to let himself down lightly. The Attorney-General was not an ordinary policeman, and therefore could not be expected to take any steps to prevent the alleged attempt to personate. The machinery of the law was here, and if any officer did not do his duty when called upon the matter should be reported when he would see that it was done or the officer be dismissed.

Finding that the Attorney-General would do nothing in the premises the Conservatives chartered a steamer to follow the *Minnie M.* with a number of voluntary scrutineers for the purpose of protecting the threatened polls. Prompt measures were taken, however, by the Liberals to stop this vessel and, upon the technical objection that it had no license to carry passengers, they succeeded. The other one went on its way rejoicing and carried its felonious crew to their destination. The Toronto *News*, which analysed most carefully and described most caustically the details of this remarkable case, declared (Oct. 3rd, 1904) that "the Attorney-General's connivance at the *Minnie M.* expedition" was the worst incident in the election. On Sept. 15th Chancellor Boyd delivered a concise and careful judgment on behalf of his colleague and himself.

He reviewed the departure of the *Minnie M.*, the voyage, the character of those taken on board and their conduct, the fraudulent voting which was proved and the legal conditions surrounding the crime committed. He analysed the conduct of men called Galvin and Ferguson, respectively, in connection with the expedition; the responsibility of Mr. Coyne, one of the chief officials of the Allied Companies at the Sault; the reading of the warning letter to the Attorney-General and the knowledge of the matter by Mr. C. N. Smith, through this letter; the position in the affair of a Liberal organizer called Sutherland "who was the general of the whole campaign"; the midnight conference of Sutherland and Coyne, the latter being head of the Steamship Company to which the *Minnie M.* belonged, and the ensuing departure of the boat with certain changed plans; the meeting of the "voters" on this vessel by a special train of the Algoma Central Railway which was also under Mr. Coyne's control.

The Chancellor then proceeded as follows: "Sutherland, I cannot say, knew of how these acts were to be done, but as far as election agency is concerned, he is the one through whom as a matter of civil law these effect the candidate. Mr. Smith is not personally concerned, to put him under any disqualification, but he is responsible for the misdoing of these men who assisted in giving him a large vote he should not have had." The charges were found to be proven and agency proven through Sutherland, Coyne, Ferguson (or Kennedy) and Galvin. Mr. Justice Teetzel agreed with the general deliverance but differed as to the part taken by George Sutherland who was "admittedly the general organizer who had charge of the scheme for getting out the voters." He added: "I think the conclusion irresistible that Kennedy was in charge of these men with the knowledge and authority of Sutherland and that the knowledge and authority of Sutherland was such as to make the respondent responsible for what was done under the authority and by the connivance and direction of Kennedy."

On Sept. 16th Chancellor Boyd and his colleague dealt formally with the Conservative petition, which was granted, and the seat declared vacant with costs against the respondent. The cross-petition against Mr. Miscampbell was dismissed without costs. In giving judgment Sir John Boyd dealt with the serious nature of personation as an offence; described the "chief agent," Sutherland, as the "chief instrument" in more than one act of bribery; urged the desirability of a law making voting compulsory or non-voting punishable by disfranchisement for two or three years; and favoured legislation prohibiting all outside interference with elections. "Both in Muskoka and here there have been outside agents coming in—Coates there and Kennedy here—who were shadows, figures who came and went, whose baneful influence could not be traced and was followed by hurtful results." A law against the solicitation of electors would also, he thought, be beneficial.

The following day His Lordship reported a number of men—Audette for bribery, Grant for paying a fare for a voter, Kennedy and Galvin for organized personation, Messrs. David Hopkins and Coyne for supplying the *Minnie M.* and the Algoma Central train, Griswold and Lamonte for supplying refreshments to voters, Godwin and Kilpatrick for paying fares. George Sutherland was given the benefit of some doubt which seems to have influenced the Judges and was not reported. For this distribution of penalties—responsibility and conviction for the subordinates and immunity for the chief agent—independent as well as Conservative papers had pronounced criticism.

Following the report of these men for the offences indicated no action was taken by the Attorney-General's Department. On Oct. 12th Mr. E. E. A. DuVernet, who had represented Mr. Miscampbell throughout the case, wrote the Hon. Mr. Gibson saying that as no steps had been taken by the proper authorities his firm had been instructed to proceed with the prosecution of the persons reported by the Judges and intimating that their client should have the assistance and financial aid of the Department. Two days later Mr. Gibson replied that the client in question would be entitled to one-half of any penalty assigned in the event of the persons prosecuted being found guilty but that if the Judges had deemed the case one in which the public should bear the expense they could have directed a public prosecution. As the Attorney-General would do nothing and the County Crown Attorney who, under the statute was bound to take action after these men had been reported, would do nothing, this private prosecution was continued and pressed at the expense of privately-raised funds. On Oct. 20th P. J. Galvin, one of those reported by the Judges, made public a "confession" in which he described at length the trip of the *Minnie M.* and the details of the whole affair. He stated that he had understood Kennedy to come with the Hon. J. R. Stratton's authority and described George Sutherland as the chief organizer of the trip. On Nov. 18th he published an alleged letter to Mr. Stratton, dated Aug. 10th, appealing to him as one whom he had once known well in Peterborough to help him financially in the troubles he was now facing for the Liberal party. Of course there was no proof against any one in these epistles but they illustrated the unpleasant character of the whole affair and no doubt left their influence upon the public mind.

The North Grey trial took place also in September. The Conservative candidate, Mr. G. M. Boyd, brought nearly 300 charges against Mr. A. G. MacKay, K.C., afterwards, for some months, a Minister of the Crown. The notorious John Sullivan was brought into the affair and bribery and all kinds of illegal practices were alleged. In the evidence presented on Sept. 14th a man named Nelson, of Buffalo, N. Y., stated his engagement by Sullivan as an "outside assistant" in the contest and described his hiring of two

men in Buffalo to go with him. His evidence was most unsavoury as was that of his associates but, finally, the Judges decided to refuse the evidence as discredited by the character of the men and answered by that of creditable Canadians. There was no evidence, therefore, of Sullivan's agency and the Judges refused to report him. After this episode the trial was postponed and was being continued on Dec. 12th, at Owen Sound, when Mr. G. H. Watson, K.C., on behalf of the sitting member, stated that his client had accepted a position in the Executive Council of the Province, that the seat was therefore vacant and that there was no necessity to continue the trial. Lieut.-Colonel N. F. Paterson, K.C., for Mr. Boyd, argued against this view and was in the end supported by the Court. He refused to discuss the question of costs being allowed and claimed that these charges of corruption ought to be publicly investigated. The proceedings were terminated on the following day by the announcement of the dissolution of the Legislature.

This series of trials, some of them pending for nearly two years, all of them vital to the life of a Government, most of them indicative of corruption, will go down in Ontario's history as the chief cause of the final downfall of the Ross Government. The constant reiteration of the charges and the fact that some were undoubtedly true had a slow and steady influence upon the public mind, aided by Conservative criticism, and still more pressed into the thought of the time by the clear searchlight of the campaign carried by the *News* of Toronto. The tracing of the work of an organized gang of political "heelers" and bribers through the constituencies, and especially in the bye-elections, was the policy of this journal.

The "Machine," according to this paper and in a series of elaborate articles published in the *Mail and Empire,* was defined as a sort of outside department of the Government with its agents in Toronto appointed by Ministers, its funds collected by men in confidential relations with the Government, and its external work directed by organizers appointed from the Liberal party's Provincial headquarters. A man like Sutherland was traced as an organizer from Toronto through an election in Lennox; into South Oxford where the corrupt attempt against the Conservative member was made; up to the Sault and the *Minnie M.* affair. "The politics of Ontario," said the *News* on Sept. 6th, "have been bedevilled by the operations of a central machine, skilfully officered, with well-drilled privates, and with ample resources." Another charge made with force and earnestness was that the legal officials in parts of the Province were aiding or abetting the criminal work of this "machine." The whole subject is unpleasant but no student of politics can afford to overlook it or refrain from dealing with it in considering the history of this period in the Province of Ontario.

Re-Construction of the Ross Government

During the year there had been frequent rumours as to changes in the Cabinet and as early as Jan. 6th, Mr. T. L. Pardo, Liberal member for West Kent, intimated in a speech that such changes were going to take place. From time to time the press contained guesses as to who the new Ministers would be and various suggestions were made—Messrs. A. B. Aylesworth, K.C., G. P. Graham, M.L.A., John Bertram, N. W. Rowell, K.C., and A. G. MacKay, K.C., M.L.A., being mentioned as possibilities. On Oct. 18th the Hon. E. J. Davis, who since 1896 had been a member of the Government, informed his constituents that at the close of the Session he would retire from public life. Following this came a rumour that the Hon. Mr. Stratton was going to retire also and then the papers commenced Cabinet-making in earnest. Messrs. E. F. B. Johnston, K.C., F. S. Spence, Robert Jaffray, R. J. Fleming, Peter Ryan, Rev. Dr. Potts, Hon. W. A. Charlton and other prominent Liberals were described as probable members of the re-organized Ministry. Meanwhile, on Oct. 12th,* Mr. Stratton had written the Premier intimating his intention not to seek re-election at the close of the present Legislature and offering to place his portfolio of Provincial Secretary at the immediate disposal of his chief. Present and future business interests were given as the reason of this step.

On Nov. 8th the Provincial Secretary gave a farewell dinner at the Parliament Buildings to the chief officials of his Department and was presented with a handsome cabinet of silver by his subordinates. In his speech Mr. Stratton reviewed his five years' administration of the Department; referred to his progressive and careful management of the Provincial interests involved; to the increase in revenue from license fees—$17,000 to $120,000; to the improved system of the Provincial Board of Health; and to the conduct and enforcement of law in the Liquor License branch. He thanked his officials for their good work and the Premier for his uniform support. Mr. Ross, in following, paid tribute to the Provincial Secretary's devotion to work and declared that no member of the Government had shown greater "faithfulness, zeal, and personal self-sacrifice." It had all been for the Province and not for the party. The history of the public institutions would prove this fact. Neither in the past five, or thirty years, had there been a scandal in the management of any of these public charities, hospitals, reformatories, prisons, or asylums. Of this much-discussed Minister, the Brantford *Expositor* (Lib.) on Nov. 1st (after describing him as one of the best departmental officers the Province had ever had) said:

> Mr. Stratton's name has, unfortunately, been associated more than once with charges of political corruption. Of the gravest of these charges, that of seeking the support of Mr. R. R. Gamey, a Commission

* NOTE – Correspondence not made public till Nov. 18th.

of Judges, after full inquiry, has acquitted him. The other charges he has positively denied and they have yet to be proved. Meantime, it is only just to say of him that he possesses in a rare degree the confidence of the community in which he lives, that his friends are devotedly loyal to him, and that his conduct of one of the most important Departments of the Government has been above approach.

The retirement was made public on Nov. 18th and in a long interview in the *Globe* Mr. Stratton reviewed the position of the Provincial institutions and his administration of his Department. It was perhaps most remarkable for omitting all reference to the matter which the public chiefly had in mind—Mr. Stratton's connection with election methods and incidents. At Hamilton on Nov. 21st, the Hon. J. M. Gibson announced that he intended to resign the Attorney-Generalship and merely remain in the Government as a Minister without portfolio. He defended his public course at some length, both as to his dealings with corporations and electoral corruption. Meantime, the Premier had been effecting his re-organization and on Nov. 22nd the new Cabinet was sworn in at Government House. Mr. W. A. Charlton, Speaker of the Legislature and member of the House since 1890; Mr. George P. Graham of the Brockville *Recorder,* member since 1898; Mr. A. G. MacKay, M.A., K.C., member for North Grey since 1902; and Mr. F. E. A. Evanturel, Speaker of the 8th and 9th Legislatures, and member of the House since 1886, were the new Ministers. The appointments were announced as follows—and it may be noted in passing that the consequent vacating of four seats left the Government in an actual minority in the Legislature:

Prime Minister and Treasurer	Hon. Geo. W. Ross.
Minister of Education	Hon. Richard Harcourt.
Minister of Agriculture	Hon. John Dryden.
Attorney-General	Hon. F. R. Latchford.
Commissioner of Public Works	Hon. W. A. Charlton.
Commissioner of Crown Lands	Hon. A. G. MacKay.
Provincial Secretary	Hon. Geo. P. Graham.
Minister without Portfolio	Hon. J. M. Gibson.
Minister without Portfolio	Hon. F. E. A. Evanturel.

The Liberal Convention in Toronto

Immediately following the re-organization and, like it a preliminary to the general elections which were now imminent, came a great gathering of Liberals in Toronto, which was intended to strengthen the party in general, unify its varied sentiments on the Prohibition question and throw a veil over anything which might appear discreditable in its past record. It was a new and adroit move on the part of a clever leader and the arrangements were finally decided upon at a meeting of the Ontario Liberal Association which was held in Toronto on Nov. 9th. Composed of Senator J. K. Kerr, K.C., as President, Senator William Gibson as Vice-President, James Vance as an organizing Secretary and Messrs. Robert Jaffray, Hugh Blain, W. A. Charlton, M.L.A., C. M. Bowman, M.L.A., G. P. Graham, M.L.A., Hugh Guthrie, M.P., A. Campbell,

M.P., and Senator McMullen as a Committee, this organization had not been called together for some years. As a result of this meeting a circular was issued bearing the same date and announcing a Convention of the Liberals of Ontario to be held in Toronto on Nov. 23rd—to be composed of the party members from Ontario in the Senate and House of Commons, ex-members and candidates in the last Dominion elections; members and ex-members of the Legislature and candidates at the last or coming elections; the chief executive officers of the Liberal Association in each constituency; and 20 other representatives to be nominated by each Association or its Executive. This was signed by Senator Kerr and Mr. H. M. Mowat, K.C., as President and Secretary (pro-tem) of the Executive Committee.*

This Convention policy was received with approbation by the Liberal press and the active party men. As the *Globe* put it (Nov. 10th) the Convention would "clear the air and define the attitude of the Liberal party on the questions of the day which are pressing for a solution." The Ottawa *Free Press* thought it would bring the Premier into harmony with his supporters and enable steps to be taken which "would restore the party to the position it has so long and so ably held." The Temperance question, municipal ownership, and taxation of railways, were declared by the *Star* to be the chief subjects for consideration. On the other hand the *News* thought that "How to keep a Government in power for 37 years" was the real issue for the Convention to consider. The Committee in Toronto, headed by Mr. W. B. McMurrich, K.C., went actively to work in organizing the coming meeting and in aiding what the party organ called the renewal and the direction of the true spirit of Liberalism within the party; "calling into public activity its dormant forces and relating it to the new needs and opportunities of the Province." Some 3,000 delegates were expected but when the Convention was opened on the morning of Nov. 23rd there were between four and five thousand present.

"First in size, first in enthusiasm, and first in its effectiveness amongst gatherings dealing with Ontario politics" was the Liberal organ's description of the great meeting which was called to order by Senator Kerr who, upon motion of the Hon. J. M. Gibson, was unanimously chosen as temporary Chairman. During his speech a reference to the Hon. George W. Ross evoked an enthusiastic demonstration which was repeated later on when the Premier himself appeared on the platform and made a few remarks. After some controversy as to the method of proceeding a large and representative nominating committee was selected by the Convention and they chose the Hon. William Gibson as permanent Chairman, Mr. Mayor Urquhart and Lieut.-Colonel A. T. Thompson, ex-M.P., as Vice-Chairmen and Messrs. H. M. Mowat, K.C., of Toronto, and D. J. McDougal, of Ottawa, as Joint Secre-

* NOTE—Previous Liberal Conventions in Ontario were held on May 16th, 1844; in 1859; on June 27th, 1867; Jan. 3rd, 1883; and in 1893.

Mr. D. M. Stewart

Second Vice-President and General Manager of the Sovereign Bank of Canada, 1904.

The Rt. Rev. Dr. S. P. Matheson

Administrator of the Arch-diocese of Rupert's Land, 1904.

taries. During the afternoon a number of speeches were delivered by leading Liberals, including the new Ministers—Messrs. Graham, Charlton, Evanturel and MacKay—and the Premier, the Hon. Mr. Stratton, Mr. A. T. Hunter, Rev. J. A. Macdonald and the Hon. Mr. Latchford. Mr. Graham declared the platform of the Convention to be that on which the party would stand or fall in the coming elections. "They would not be blackguarded from their policy or platform by anything their opponents might say." Mr. Evanturel described the Premier as a great statesman who ranked with Sir W. Laurier. Mr. MacKay devoted himself chiefly to a vigorous attack on R. R. Gamey.

The Premier spoke twice during the day with much vigour and ability and amid marked enthusiasm. On the first occasion he described his five years' Government as having been a brotherhood in policy and intent; praised the Hon. Mr. Gibson for capacity and faithful service and the Hon. Mr. Stratton as a much maligned but most efficient public servant; referred to his new Ministers as clean, honest, capable men. In the evening he responded to a Resolution of confidence in his Government and was given an ovation. After some eloquent allusions to his 20 years of service to the party and the Province and to his belief that there was no weakening of resolve, or character, or conscience, in the great Liberal party of Ontario, Mr. Ross went on to express the hope that it would not close its career "amidst the cloud which had covered the horizon during the past two years." This meeting had been called so that he could "feel the pulse of the Liberal party" and ascertain if its members felt favourably towards the policy of his Government.

Then followed a statement of what had been done for New Ontario and for the building of railways; and hope was expressed for a line which would soon reach Hudson's Bay and help to develop great trade interests in that direction. The Sessions of 1903 and 1904 were reviewed and his majority of three compared with the gallant supporters of Horatius in old Roman days. The complicated Assessment Act and the Sault industries legislation were instanced as proof of the initiative and living power of the Government. Much was said on Temperance issues and little about the charges of corruption; except to indicate the equal guilt of Conservatives when opportunity served and to claim that the connection of the Government had never been proved with any corrupt act. The Premier dealt at length with the Prohibition question, traced the history of the pledges made and of his own inheritance of obligation. He had given them the Referendum but the conditions had not been fulfilled. As to himself he had not felt it incumbent to break up his Government and his party upon this question and he illustrated the position in this respect by reference to Mr. W. J. Bryan and Free Silver, Mr. Gladstone and Home Rule, Sir Charles Tupper and Remedial Legislation, Charles I. and Episcopacy in Scotland. He concluded by asking

for a substantial working majority. During his speech in the afternoon Mr. Stratton had defied any Conservative in the Province to put his hand on any corrupt act of his. He had withdrawn of his own free will from the Government and the time would come when it would be seen that the charges against him "originated in a gang of corruptionists." As to Mr. Whitney and his followers coming in to clear out corruption "you might as well send the Father of lies to teach the Gospel of truth." Mr. A. T. Hunter of Toronto, in speaking, laid stress upon the necessity for honest local workers in every constituency and for the absolute exclusion of outside organizers and "strangers."

Mr. F. S. Spence, in dealing with the Temperance proposals before the Convention, expressed appreciation of what the Liberal party had done for the cause but declared that the time had come for more advanced legislation. He believed that the Convention would be justified in going much further than its Committee had advised and he quoted his own rejected Resolution in that body as demanding the abolition of the public bar, the treating system and drinking in clubs. The Committee's Resolution was, however, a practicable one and he was willing to waive some of his wishes in order to obtain others. After a lengthy and sometimes stormy discussion of the Resolution it was carried by the Convention with the elimination of Clause 3 providing for a municipal vote in 1906 on the abolition of bars and shop licenses. As eventually passed it read as follows:

(1) That this Convention desires to place on record its unqualified conviction that intemperance is an evil with which there should be no compromise; that the temperance sentiment of the community, as evidenced by votes taken from time to time, has shown that the people are prepared for advanced legislation and without reciting numerous amendments to the License Act, on which there should be no difference of opinion, this Convention declares that any legislation which affords a well-grounded hope of being effective in curtailing and restraining the treating habit, in reducing the consumption of intoxicating liquors, in closing drinking resorts, and in preventing the sale of liquors on Sundays and during prohibited hours, and the most vigorous enforcement of the License law in every particular, would meet with its approval, as in the interests of public morals, the domestic comfort and the material wealth of the people of Ontario.

(2) That this Convention further believes that the power given to municipalities to close bars and shops under what is known as Local Option, if generally exercised, would greatly tend to remove the evils of intemperance, and this Convention would approve of legislation whereby the vote of a municipality must be taken under Local Option on the petition of twenty-five per cent. of the ratepayers, without reference to the Municipal Council; and further, that in any case of submission under the Local Option system, there be provision for offering the alternative of Government control, or for the acceptance by the people of restrictions such as further shortening of hours, reduction of licenses, or Government control of business now carried on under shop licenses or otherwise.

(4) That no new licenses should be issued in unorganized New Ontario for all time to come; the Government should take charge of the necessary sales for medicinal purposes, etc. In granting land for hotel sites it should be stipulated that no liquor is to be sold in them.

(5) That no new licenses shall be granted in licensed municipali-

ties except on a petition of 50 per cent. of the municipal electors where it is desired.

(6) That any license-holder convicted of violating the law twice shall thereby forfeit his license.

Other incidents of the Convention included a vigorous but unpopular atack by Dr. J. Spence of Toronto upon Mr. Stratton's administration of the Liquor License Act and an attack by the Rev. F. G. Tapscott of the Sault upon James Vance, the party organizer. It was decided to organize a new Liberal Association for the Province with a temporary Executive composed of Messrs. H. M. Mowat, K.C., W. S. Calvert, M.P.. Hon. G. P. Graham and C. M. Bowman, M.L.A., D. J. McDougal and Lieut.-Colonel A. T. Thompson. The last-mentioned gentleman made an admirable Chairman of the Convention at somewhat difficult moments while Mr. Robert Holmes, ex-M.P., as Chairman of the Committee on Resolutions, filled a hard position with much tact and success. In a few closing words the Hon. Mr. Ross declared the platform adopted to be one on which the party would win and expressed delight with the decision on the Temperance question. "I believe it is consistent with advanced temperance and perfectly consistent with the best interests of the Liberal party and of the whole people of Ontario." This had really been the pivotal point in the gathering although the Resolution on municipal ownership was a long and complicated one. Briefly summarized the conclusions and policy of the Convention were as follows:

1. Approval of the policy of the Education Department regarding practical courses of study in agricultural and industrial pursuits; of its introduction of Manual training and domestic science in the schools; and the establishment of technical schools. Advocacy of further aid to technical education. Approval of the educational work of the Department of Agriculture.

2. Demand that Liberal members of Parliament should devise means by which election trials be continued until every offender is convicted and punished; declaration that no political or other consideration should stand in the way of the fullest vindication of the sanctity of the ballot and protection of public morals; repudiation and condemnation "in the most unqualified terms" of every form of bribery or of fraudulent schemes to defeat the purposes of the electorate; advice to Liberal candidates to complete their organizations out of reputable local men.

3. Approval of the policy of railway taxation along the lines, as far as practicable, suggested by Mr. Pettypiece during the past Session—the assessment of taxation to be equal to that of private citizens and other corporations.

4. Confidence in the progressive policy, personal courage and capacity, and careful administration of the Hon. G. W. Ross; and approval of the reconstructed Cabinet and its members.

5. Satisfaction with the Temiskaming Railway construction as a practical demonstration of Government ownership; approval of its extension to meet the Grand Trunk Pacific and ultimately to the waters of Hudson's Bay; and suggestion that the town sites and public revenues of the project be under Government control.

6. Recommendation of a separate service in connection with the construction of colonization roads in Northern Ontario, the taxation of town sites, the protection of water powers and other matters affecting the future develpment of the new districts.

7. Proposal for a Government inquiry as to disposal of matured timber on Crown Lands by open competition, the protection of young pine trees and pulpwood not ready for use and the reforestation of districts from which the timber had been removed. Approval of past concessions for the establishment of pulp industries but suggestion that in the future, where large areas of pulpwood and numerous water powers exist in Crown Land districts, both should be submitted to public auction with conditions involving a bonus for right of occupation, an annual rental for water power and reasonable dues for pulpwood.

8. Declaration that new settlers in Northern Ontario should, in taking possession of the land, have the right of cutting for use or sale every description of timber—pine only excepted ; and that upon completion of settlement duties the proprietor should have his patent from the Crown without reservation of either pine or mineral.

9. Re-affirmation of the principle of Provincial rights with special protests against the Dominion incorporation of companies purely local in their character and operation.

10. Approval of liberal terms to prospectors for minerals if developed within a reasonable time and not held for purely speculative purposes.

11. Favouring the appointment of a Provincial Commission having authority to deal with such questions as the bonding powers and overcapitalization of companies concerned in the operation of public utilities; the application of municipalities for consolidation of debenture debts; and municipal by-laws purporting to confer monopolistic rights in public utilities.

12. Approval of the Labour legislation of past years and of a consolidation of Labour branches of the public service so as to aid in the settlement or avoidance of industrial troubles.

13. Proposal for measures looking to the active settlement of Northern Ontario and the special appointment of a Minister of Colonization and Labour to look after the matter.

14. Approval of previous legislation giving municipalities increasing control over public franchises, and the expression of opinion that obstacles in the way of municipalities acquiring ownership of such public utilities as the ratepayers approve should be removed and that future grants of franchises for public services should be limited to 30 years with a right of purchase upon equitable terms within that period. Approval of a special charter being granted the city of Toronto.

15. Approval of advanced temperance legislation wherever practicable, of local option voting in municipalities and of rigid enforcement of license laws. No new liquor licenses in Northern Ontario. No new license to be given elsewhere in the Province accept on a petition signed by 50 per cent. of the local municipal electors. Forfeiture of license for second offence.

The public comments upon this gathering and its results were, of course, varied. Upon the whole the Liberals were well satisfied. The Premier told the *Globe* on Nov. 26th that the Convention was in every respect a success and representative of the business ability and solid sense of the Province. The platform was a progressive one, the gathering harmonious and yet independent. He specially approved the proposal for a Minister of Colonization and Labour and, if returned to power at the coming elections, he would assign the portfolio to some good man and make the Hon. F. E. A. Evanturel Commissioner of Public Works. The Conservatives on the other hand contended that the gathering was managed by the "machine," dominated by Messrs. Stratton, Graham, McKay and other organizers, artificially swollen by the official class, and noisily defiant of public opinion.

The Conservatives of the Province in Conference

Immediately following the Liberal Convention came a Conservative Conference. Prior to this, however, on Sept. 8th, a meeting of the Ontario Conservative Association was held in Toronto with 300 representatives present from the constituencies of the Province. Mr. J. P. Whitney was accorded an enthusiastic reception and in his speech denounced the Sault Guarantee and the spirit of moral deadness in the Legislature; absolutely denied any bargain or consent as to North Perth and expressed strong disapproval of "saw-offs"; paid special tribute to the services of the new Conservative organizer, Mr. Andrew Miscampbell, and to the campaign of Mr. R. R. Gamey in the constituencies. The latter was also warmly received and Resolutions were passed condemning the Government for holding office by fraud and corruption; denouncing Messrs. Conmee and Bowman for voting in the Sault legislation affair; condemning the alleged Liberal corruption of the constituencies; endorsing Mr. Whitney and Mr. R. L. Borden as leaders, Mr. Chamberlain's Imperial policy, the Ottawa Opposition's Railway policy; and denouncing the Laurier Government's treatment of Lord Dundonald and the Auditor-General.

On Nov. 12th Mr. J. W. St. John, M.L.A., informed the *World* that another Conservative gathering would be held at the same time as the Liberal Convention and two days later Mr. Whitney issued an open letter to the people of the Province declaring that: "Driven to bay and alarmed at the righteous indignation of the people, the Provincial Government, which for several years has held office by means of fraud and crime, is about to make a last and desperate appeal to the constituencies." Under these circumstances he had instructed the officers of the Provincial Conservative Association to call a meeting in Toronto of its members to discuss the situation. Then he proceeded as follows:

> In addition I invite representative men in each constituency—no matter what their party affiliations may be and who sympathize with our objects—to attend also and help us by their advice and encouragement. In the presence of great public peril, party designations and differences are of secondary importance. The first great necessity of the situation is clean, honest and decent government. The policy of the Opposition in the Legislature is familiar to the people and has received their endorsement and ratification by a majority of six or seven thousand votes. To this record we point with pride.

While the great necessity of the situation was clean, honest and decent government he suggested some other matters of future treatment including the addition of agricultural instruction to the curriculum in high schools and collegiate institutes and the providing of parcels of land for practical work; the encouragement of sewerage systems in towns and villages; legislation to facilitate the municipal acquirement of public utilities and to provide machinery for the settlement of disputes between capital and labour. On Nov. 24th the Conference opened in Association

Hall, with representative men present from all parts of the Province and hundreds of delegates unable to obtain admission to the crowded place of meeting. The enthusiasm and hopefulness of those present were very marked and the personal reception accorded Mr. Whitney was one of which he had reason to feel proud. It compared favourably with the popular demonstration given to his opponent, the Premier, at Massey Hall. Mr. J. J. Foy, K.C., M.L.A., presided in the afternoon and in a brief speech declared that "they had seen the Province descend to the lowest depths; they had seen it get into the hands of grafters, heelers, rake-off men, thimble-riggers, robbers and thieves." These men were powerful in the counsels of the Liberal party and the result had been "a lowering of public morality and a degradation of those who were governed as well as of those who governed."

Mr. Whitney followed at length after referring to the "grand army of contractors and office-holders," elsewhere in Convention assembled, and to a new platform as being undoubtedly needed by the Government. He declared the present situation to be "intolerable to all good men" and defined the Opposition policy as including (1) law reform in the direction of improving the Division Court system and cheapening costs to the poor litigant; (2) study and comprehension in their legislation as to the needs of Northern Ontario; (3) opposition to railway grants except in special cases and the public sale in open competition of pulp-wood rights and timber limits; (4) increase of the grant to agricultural education and the appointment of a Commission of teachers to advise the Minister of Education; (5) grants by the Government to municipalities to aid them in dealing with the sewerage question; (6) clearing the way for Municipal acquisition of public utilities and giving municipalities a share in taxes levied upon corporations. With the Prohibition issue the Opposition Leader dealt clearly and fully. He repeated and endorsed again the following paragraph from his speech on the Referendum Bill:

> We cannot have Prohibition in a Province; therefore, it is idle to discuss that remedy. I believe the remedy lies rather in using the powers that we possess, namely, wholesome restriction—a decrease in the number of licenses, removing those charged with the administration of the law from political and party influences, and honestly enforcing the law. Decrease the number of licenses where necessary; maintain intact and allow no relaxation of the restriction; remove the commissioners and inspectors from political and party influences, and enforce the License Law honestly and with the whole power of the Government.

He quoted Mr. J. W. Flavelle, as a prominent publicist along moral lines who endorsed this position, and then went into a review of the acts of corruption perpetrated during past years in the Province, concluding with the plot against Mr. Gamey—"a man whom the Government dare not prosecute." Reference was made to two attempts at coalition. "Within the last two weeks there has been another proposition for a coalition; and the suggestion was made

that within twelve months I might be Premier of Ontario." The Sault bye-election, the reconstruction of the Government and the Belleville ballot-box case were dealt with in scathing terms. "Under the Ross Government," he exclaimed, "the administration of justice has been throttled and paralyzed." He concluded with an appeal for organization by the best men in the party for the best of purposes. Mr. J. P. Downey, M.L.A., the Hon. George E. Foster and Mr. Lockie Wilson—a former Liberal—then spoke briefly. Mr. Downey compared the new Ministers with the Conservative leaders and thought there was far better material for a Cabinet in the latter party's ranks. Mr. Foster believed the Opposition to have the power and hope and honesty of Ontario behind them. Political trickery and deceit and corruption must be punished and the fair fame of the Province cleared. For 32 years Conservatives in Ontario, no matter how successful, brainy, enterprising and public-spirited, had been excluded from the Government and management of their Province! Why should one party have a monopoly of power and control of affairs? He denounced the alleged secret ballot and the corruption of the public conscience and practice by the Liberal Government. The afternoon session closed with the election of Messrs. W. J. Michael of Belleville and W. L. Ross of Hamilton as joint Secretaries of the Conference.

In the evening Mr. D. M. McIntyre of Kingston occupied the chair and declared that almost every representative from Kingston at the Liberal Convention was an office-holder under the Government. He demanded that this young country should cleanse the springs of its national life. A Committee on Resolutions was then appointed and this was followed by a speech from Dr. Welford of Woodstock, a Liberal of 30 years' standing, in which he promised Mr. Whitney his earnest support. Mr. W. R. Johnston of Belleville declared that the men of that city were ripe for taking up arms in defence of the ballot-box and described the intimate relationship which had, he said, existed between the Hon. Mr. Stratton and Byron O. Lott of ballot-box infamy.

Other speakers were Messrs. W. H. Hoyle, R. R. Gamey, W. J. Hanna and Dr. Reaume of the Legislature. Mr. A. E. Donovan of Brockville called the Ross Government "the wickedest Government ever known." Mr. Gamey declared that his work was not yet done and would not be "until the most corrupt Government the world ever saw is abolished." He challenged the Hon. A. G. MacKay to meet him in debate at Massey Hall, Toronto, and claimed to have driven Mr. Stratton out of public life. Mr. Hanna proclaimed the Premier's responsibility for existing conditions in unmeasured terms: "He only blocked the wheels of justice. He only withheld the detectives. He only stood in the way of justice. He only kept quiet the Attorney-General." On the following day various Resolutions were passed with Mr. Richard Blain, M.P., in the chair and speeches from Messrs. H. Carscallen, K.C., M.L.A.,

W. F. Cockshutt of Brantford, J. H. Metcalfe of Kingston, James Clancy, Andrew Broder and Dr. Sproule. Messrs. J. S. Duff, A. A. Mahaffy, R. G. Macdiarmid, W. R. Smyth, Beattie Nesbitt and Lieut.-Colonel A. J. Matheson of the Legislature, and others, also spoke. The Resolutions may be summarized as follows:

1. High appreciation of Mr. Whitney's work on behalf of good government, popular rights and administrative reform and the promise of earnest support to his further efforts.
2. Approval of Mr. Whitney's policy and principles as enunciated in his address to the Conference and as recorded in the journals of the Assembly and the public records of the Province.
3. Advocacy of the establishment of a local mining office in each mining district and of improvement and extension in the work of the Guelph Agricultural College.
4. Expression of opinion that the respective funds created to encourage and assist the tile municipal drainage should be enlarged as required and the past and future interest on moneys so loaned should not exceed the actual cost thereof to the Province.
5. Declaration that as to lands now or hereafter open to settlement in Northern Ontario the *bona-fide* settlers should have a free grant of lands and timbers and minerals thereon subject to regulations as to the proper location of such lands and that equitable arrangements be made protecting the just rights of present licensees.
6. Endorsing the Conservative policy in the Legislature as to ownership of public utilities and Mr. Whitney's utterances upon that point.
7. Endorsement of Mr. Whitney's refusal of the offers of Coalition which had been made to him.
8. Approval of the better inspection of factories, the labelling of prison-made foods and of the enactment of legislation for the settlement of Labour disputes.
9. Sympathy with "all well directed efforts to promote the Temperance cause and moral reform."
10. Condemnation of the Government's Orders-in-Council which were said to have injuriously affected prospectors, miners and others.

As in the case of the Liberal Convention which had congratulated Sir Wilfrid Laurier upon his recent victory this Conference endorsed Mr. R. L. Borden and expressed continued confidence in his Leadership of the party.

The Government and the Temperance Question

Throughout the year and long before either party Convention or Conference was thought of the problem of how to deal with the Temperance and Prohibition issue was prominently before the Government and in the public mind. On Jan. 25th the *Globe* stated that "advanced Temperance legislation" would be brought before the present Session of the Legislature, and explained that only the distractions of the Gamey case had prevented such a measure being introduced in the last Session. The Premier, it added, regarded the Referendum vote of December, 1902, as "a significant indication of the temper and trend of public opinion." The strongest and steadiest voice of public opinion was now in favour of "the closing of bar-rooms and the sale of liquor only in shops under some form of public control. This voice was more powerful than either the demand for Prohibition or the policy of License Law amendment." By Mar. 8th

the question had come to a head in Liberal circles and on that date a caucus was held of the Government supporters in the Legislature.

According to the report in the *Star,* a Liberal organ, the Temperance issue was discussed at length and a drastic measure of reform proposed by the Premier which included not only the abolition of the bar but the doing away with all hotel licenses and the establishment of Government control of shops where liquor might be sold in packages. This was said to have been urged strongly by Mr. Ross against the views of a considerable majority of his followers. An alternative proposition was the submission of the question to the municipalities, coupled with more stringent control of the trade where the vote was negative, and Government control of shops where the vote only abolished the hotels. According to the *Globe* the Premier "outlined to his followers a radical Temperance measure providing for the abolition of bars throughout the Province on May 1st, 1905, and Government control of the retail sale of liquor in parcels. This did not meet the approval of the members." The Premier then made his suggestion of reference to the municipalities as to hotel licenses and the sale of liquor in packages under Government control, but the caucus adjourned without a decision. In the *News* Mr. F. S. Spence, the Prohibitionist leader, commented upon this situation as follows:

> I think that what the people are prepared for and what they have reason to expect is such legislation as will abolish bar-room treating, and club drinking, and restrict the rest of the liquor traffic just as far as it can be effectively restricted. At the same time, it must be admitted that there could be useful legislation short of what we have asked. Every reduction in the number of licenses, and every shortening of hours is desirable, and legislation of that kind would be gratifying to the Temperance people but certainly would not satisfy them, and would not be taken as fulfillment of promises that have been made.

To the Local Option, or municipal plan, the liquor interests expressed strong hostility while the Temperance opinion seemed to be that a little was better than nothing. The *Globe* (Mar. 9th) declared that the probable policy of the future was not Prohibition, or reduction of licenses to a monopolistic point, but the placing of the retail sale of all intoxicating liquors under Government control. Writing to this paper three days later Mr. Spence reviewed the pledges made by Sir O. Mowat and the Hon. Mr. Ross, urged adherence to high principles as an essential of true Liberalism and strongly supported the Premier's position in the caucus. "The Premier also owes a duty to himself, his party and his country. As the chief adviser of the Crown, and the responsible leader of a great political organization, he must be true to the principles he represents and in that capacity his best friends hope to see him refuse to yield to even the strong pressure of personal relationship and the view of his associates. He has shown his appreciation of what the situation demands. Let him

stand to his guns. Even if colleagues desert him he will win. If he went down with flying colours he would still win in going down. Liberalism has survived defeat. It cannot stand dishonour."*

The public discussions of the next few days were keen and earnest and on Mar. 15th the Liberal members of the Legislature again met although no announcement of policy was made. In the press of the 22nd appeared an open letter from the Rev. Dr. S. D. Chown, General Secretary of the Methodist Church Board of Temperance and Moral Reform, declaring that abolition of the bar, the treating system and drinking in clubs was "the least measure of legislative restriction that would command support or receive the approval of the Methodist electorate." In an address to the Methodist electors of the Province Dr. Chown proclaimed the introduction of such a measure, in pursuance of past pledges, or retirement as Leader of the Government, to be the only honourable alternatives before Mr. Ross. On Mar. 26th the *Globe* announced that a liquor license measure would be shortly presented to the House. "It is believed that the Bill will contain nearly all the suggestions of those who have given the most careful attention to the administration of the liquor license laws." On Apr. 5th a deputation of Methodist and Baptist Ministers waited upon the Premier and the next day a letter was received by the Rev. J. A. Rankin expressing the Government's present attitude upon this question:

> In reply to the deputation which I had the honour to receive yesterday, I desire to express my concurrence in the views presented by the different speakers, that nothing short of the prohibition of the sale of liquor in hotels and restriction over sales for purposes generally recognized as proper and legitimate, would fully protect society from the evil effects of excessive drinking as far as legislation can be invoked for that purpose. Your decided preference for such a measure as against amendments to the license law I understand to mean that you do not favour at present any other form of Temperance legislation. If the Government is unable to give the measure desired this Session it will be our duty to consider what means are available for further action.

In immediate reply to this epistle the *Pioneer* of Mar. 8th (the organ of Mr. Spence and the Prohibitionists) expressed great disappointment at the inaction of the Premier, referred to his responsibility as being greater than Mr. Whitney's on account of his past pledges and declared that if he failed in this emergency there would be "a serious defection from his support of men who put principle before partisanship." On the other hand aggressive action would give him a new lease of power. Vigorous criticism of this letter was also expressed by the *Christian Guardian* of Toronto and the Rev. E. A. Mitchell in Ottawa. In the Legislature on Apr. 19th Mr. Ross put a stop to speculation as to his intentions by the following statement in answer to Mr. Whitney:

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* NOTE—See *Canadian Annual Review* for 1902, see pages 375-387.

"It is not our intention to bring in any legislation this Session in regard to the Liquor License law." Two days later the annual Convention of the Dominion Alliance met in Toronto. A letter was read from the Rev. Dr. Carman expressing his belief that the Premier would yet act as they wished and as he had promised. "In that direction is the pathway of honour; the other road must lead to dishonour and reproach." Resolutions were passed as follows:

1. Expressing deep regret and disappointment that no legislation has been introduced in fulfillment of the promises of the Government and in response to the overwhelming demand of the electorate as expressed in the Referendum.
2. Expressing the conviction that Governments and political parties should be made aware that they cannot continue to ignore the demands for adequate Temperance legislation and hope for the support of Temperance men.
3. Re-affirming the declaration that the minimum of legislation that could be accepted is the abolition of the public bar, the treating system and drinking in clubs.
4. Statement of the duty of Temperance men in the coming elections to nominate and work for candidates pledged to the immediate enactment of this legislation.

There was much discussion of Mr. Ross and his promises and Mr. G. F. Marter, President of the Alliance, joined Mr. Spence in the expectation that he would yet fulfil their hopes. Speaking at London, on June 2nd, the Rev. Dr. Chown praised Mr. Stratton's administration of the Liquor License system as having resulted in improved enforcement of the law. During the next few months there was a lull in the discussion and then came the Cabinet re-organization and the general elections. Speaking in Toronto on Nov. 16th Mr. W. E. Raney denounced the existing license system as having a value in its Toronto franchises alone of nearly $3,000,000. "I charge that the liquor traffic, in its relation to Ontario politics, is one vast fabric of bribery." The present License Law was impossible of enforcement except with the consent of the license holder. He urged the abolition of hotel licenses and the establishment in cities and towns of depots where liquor could be obtained by order, or in person, but not consumed upon the premises. Writing to the *Globe* on Nov. 19th, in one of his last public utterances, Principal Caven urged that the bar be abolished as altogether unnecessary, as doing no good in any way, as being a continual source of evil and a snare set for many. He believed that the public opinion of Ontario would support such a policy as well as the public man who had the moral courage to advance it. Otherwise public confidence in the moral integrity of men "whom we wish to hold in honour" would be shaken. Meantime, the *Globe* continued its advocacy of Government restriction and control of the liquor business, in preference to Prohibition or the License system. On Nov. 22nd it expressed vigorous denunciation of the Liquor men:

We can think of no other business that—with notable individual exceptions here and there—has so deliberately, systematically, and defiantly repudiated the obligations of the agreement under which it is conducted, or that has so openly flouted public opinion. The small army of officials which the Government must employ for the enforcement of the regulations of the law, the constant detective service found necessary and the admitted failure, even with good officers and an honest purpose, of the efforts to secure the observance of the plain terms of the License Act, are a standing condemnation of the business as it is at present conducted.

The Liberal and Conservative Conventions followed—the former endorsing the Premier's alternative plan as presented to the caucus of several months before and the latter listening with applause to Mr. Whitney's policy of vigorous License enforcement. Nothing was expected of the Opposition Leader in this connection but Temperance men seemed disappointed at the Liberal Convention's policy and the absence of any influence upon its deliberations, in this respect, by the Premier. The Rev. Dr. Chown, Messrs. J. A. Austin, George Spence, and J. S. Robertson voiced this feeling in the press. On Dec. 1st the Hon. G. W. Ross had a communication in the *Globe* dealing with his personal attitude at the Convention upon this question and explaining especially the elimination of Clause 3 from the Temperance Resolution. He thought the absurdity of forcing a vote upon the municipalities was obvious in view of the fact that there were 170 in which there were no hotel licenses and 661 in which there were no shop licenses while many others had rejected the Referendum by large majorities. Mr. Ross' general policy in this matter brought out a letter of keen denunciation from the Rev. William Kettlewell of St. Thomas (*News,* Dec. 1st). On the day before this date the Executive Committee of the Methodist Department of Temperance passed a long Resolution calling on its people to vote for Temperance reform candidates and in condemnation of "the disgraceful political corruption that seems to have laid hold of many agencies in public life."

On the other hand the Rev. Dr. Sheraton of Wycliffe College (Dec. 1st) urged Temperance people to vote for the Liberal platform as a pledge to the programme of reform and declared the country unripe for Prohibition. On Dec. 2nd the Executive of the Ontario Branch of the Dominion Alliance issued a Manifesto which, after reciting the recent Temperance history of the Province and the successive pledges of three Premiers, declared that Clause 3 of the Resolution submitted to the Liberal Convention would have carried but for the open opposition of two members of the Government—Messrs. MacKay and Graham. It went on to proclaim their regret and disappointment at the action of the Premier in the Convention; to declare all hope dispelled as to the Government redeeming its pledges; and proceeded as follows: "The Government has trifled with the great Temperance question, has been unfaithful to the pledges and promises of its successive Pre-

miers, and has by its record and recent course on this, the most important issue in Provincial politics, forfeited all claim to the support of electors who put Temperance principle above partisanship in political affairs."

Speaking on Dec. 5th the Premier inquired where or in what manner the Alliance had approached the Conservative Conference or endeavoured to have its views carried out by the Opposition. He intimated that he was preparing a statement in reply. At Tillsonburg, on the same day, Mr. Donald Sutherland, M.L.A. (Con.), stated that when the Rev. Mr. Rankin and his deputation had waited on the Premier, he (Mr. Sutherland) had written to him promising personal support in the abolition of bars and saloons. Addressing the Sons of Temperance on the following day Mr. Ross said that he would go as far as public opinion would warrant, advised the election of Temperance men to the Legislature and asked why Toronto or the 600 municipalities in Ontario which had carried the Referendum by large majorities did not go in for Local Option.

To the Executive of the Ontario Branch of the Alliance, on Dec. 10th, the Premier issued a lengthy and elaborate reply. After an expression of doubt as to how far the Executive represented the Alliance in this matter he claimed that his submission of the Referendum measure in 1902 was a fulfilment of all pledges which he had either inherited or given. He defended the majority required to put that measure into execution as absolutely necessary in so important and revolutionary a change as was involved in Prohibition. As to the Convention he pointed out that if the proposals of the Alliance for complete abolition of the bar were unacceptable to a representative Committee of 100 they could hardly be expected to pass a Convention of 4,000! After analysing the Resolutions at length Mr. Ross expressed pride in being the first Premier of the Province who had seen the great Liberal party, in Convention assembled, declare for advanced Temperance legislation. Criticism of the Conservative legislative record and platform, as being quite barren in this connection, and a recapitulation of the Government's activities followed. The practical and important reforms of the License Act of 1897 were described as illustrative of the policy which the Government had pursued. He concluded by deprecating the attack in the Manifesto upon the Liberal party as unfair and offensive and injurious to the cause of Temperance. To defeat the Liberal party was to defeat the only friend of the legislation they desired and to put into power a party from which nothing was to be hoped.

Following this came the Dissolution and on Dec. 14th the Hon. Richard Harcourt told a Liberal meeting at Welland that 90 per cent. of the Temperance workers were members of their party. As a result of Liberal legislation 170 out of 780 municipalities in Ontario were without a license and 326 with only one license each. Thirty years ago there were 6,000 licenses in the Province; now

there were 2,900. On the 17th the Executive of the Alliance issued a reply to the Premier's pamphlet. In it they explained the powers given them by the general body; quoted the Resolutions of their recent Convention; pointed out that while the Plebiscite of 1894 showed a vote of 180,087 for Prohibition, the Government had made the Referendum requirement so difficult in 1902 that 199,719 votes were not sufficient to put it in force; declared that Mr. Ross had infringed in this matter the great principle that the majority must rule; pointed out that while two members of the Government opposed a forward policy in the Convention, neither Mr. Ross nor any other Minister urged it upon that body; claimed once more that the Government had trifled with the question and failed to rise to its responsibilities. In the press at this time there also appeared vigorous criticisms of the Government, for non-fulfilment of pledges, by the Rev. J. S. Ross of Oakville, the Rev. G. R. Morrow of Omagh and others. On the other hand the following tables were published as illustrative of actual and comparative conditions in Ontario:

1. Number of Licenses issued in Ontario:

1874-5	6,185	1889-90	3,560
1879-80	4,020	1894-5	3,151
1884-5	3,970	1899-00	2,950
1888-9	2,445		

2. Licenses in certain States and Cities and in Ontario:

Illinois	1 to each 183 persons	Ohio	1 to each 203 persons
Indiana	1 " 247 "	Massachusetts	1 " 286 "
Iowa	1 " 289 "	Quebec	1 " 625 "
Michigan	1 " 239 "	Toronto	1 " 1000 "
Minnesota	1 " 201 "	Montreal	1 " 349 "
New York	1 " 134 "	Ontario	1 " 700 "

3. Convictions for Drunkenness in Canada (1900):

Ontario	1 to 828 persons	Manitoba	1 to 355 persons
Quebec	1 " 461 "	British Columbia	1 " 207 "
Nova Scotia	1 " 448 "	Prince Edward Island.	1 " 341 "
New Brunswick	1 " 253 "	The Territories	1 " 180 "

Public Opinion and Charges of Corruption

Collateral to this question in its nature and in its final effect upon the fate of the Government was a growing volume of non-party criticism throughout the year as to corruption in politics. It came occasionally from Liberals but more frequently from the pulpit and was sometimes delivered in most unmeasured language. Speaking to the *World* on Jan. 19th Dr. A. B. Welford of Woodstock, a life-long Liberal, asked: "Is a Government like ours fit to rule an intelligent people after the revelations of corruption proven in the Law Courts during the past two years? Most assuredly not." At Chalmers' Church in the same city, on Jan. 24th, the Rev. Dr. W. A. MacKay declared, without any specific application, that "our politics have degenerated into the very cesspool of corruption. The boodling and bribery, the per-

sonations, frauds and corruptions are enough to bring the blush of shame to the cheek of every honest Canadian." Before the Canadian Club in Toronto, on Mar. 21st, the Hon. S. H. Blake made a veiled but bitter attack upon the Government and the so-called "machine": "Am I justified," said Mr. Blake, "in sitting in an armchair and accepting and receiving telegrams which inform me that those sent here to sustain me obtained their positions by the most nefarious practices? Am I justified in knowing that by perjury, bribery and debauchery this constituency was won and that one held?"

Speaking at the Western Congregational Church, in Toronto, on Sept. 25th, the Rev. J. W. Pedley described the Liberal who was not "disgusted and ashamed" at the Sault revelations as an enemy of his country and his party. "Let it be known that no man is good enough to be Prime Minister of the Dominion, or of Ontario, who winks at corruption in any form." In London, on Oct. 30th, the Rev. Dr. James Ross at St. Andrew's Church urged the purifying of the political system. "Many of us remember the horror with which Liberals regarded the corrupt practices of the Conservatives under the old *regime*. And we thought the millennium was about to dawn when they got into power. But some of the shadiest transactions of Canadian political history have seen the light since then." He denounced in strenuous words the corruption revealed in recent trials, the purchase of votes, the taking of bribes, the attempts to buy constituencies with the promise of favours and public works, the "dastardly crime" of tampering with the ballot-box. In Toronto, on Dec. 15th, Dr. John Spence, a strong Liberal, deprecated "the laxity of the Attorney-General's Department as shown by the prevalence of election scandals."

But the event of the year in this connection was the open letter addressed by the Rev. D. C. Hossack, a Presbyterian minister of Toronto, to the Premier, on Dec. 19th. It was widely quoted and circulated as campaign literature by the Conservative party and undoubtedly had a considerable influence in many constituencies. After explaining his personal position as a Liberal in the past, and his present attitude toward Mr. Ross, the writer declared that Liberalism in Ontario "no longer stands for purity, constitutional government and liberty." He then impressed upon the Premier his responsibility for present conditions because of his 21 years' membership in the Government. In addition to this it might be said that "the scandals previous to your becoming Premier were insignificant when compared with the saturnalia of political corruption which has characterized your term of office." He accused Mr. Ross of knowing that negotiations were going on with R. R. Gamey; of being fully responsible for the disfranchisement of North Renfrew for a year and a half; of deliberately calling the Legislature in order to delay the trial of election protests; of breaking pledges made to the Temperance

people. He declared him guilty of complicity in such matters as Mr. Stratton's alleged promise of large sums to aid the Liberal candidate in North Renfrew; Mr. Gibson's refusal to enforce the law or prosecute Liberals at the Sault, and the latter's quick and severe prosecution of Callaghan after making charges against the Government; the non-repudiation or actual retention of the Sullivans, the Boles, the Sutherlands, the Vances, the Prichards, the Wildfongs, the Jacksons and other similar agents or organizers of the Liberal party. Upon the proposal to seal " the black record of your Administration " with seven seals he was very caustic and gave a long list of matters which would require either seals or punishment. He preferred and prophesied the latter.

There could be no doubt of the influence of this onslaught upon the Premier. It reached many of his best friends and though too strong in expression and argument to be politically fair it made all the better reading for " the man on the street." Others followed along the same line including the *Catholic Register* of Toronto, Mr. Walter Mills of Chatham, a son of the late Liberal Minister of Justice at Ottawa, the Rev. A. W. Shepperson of Orton (*News,* Dec. 29th), the Rev. Nathaniel Smith (*Mail,* Dec. 29), and Dr. Goldwin Smith. At a joint meeting of representatives of the Ontario Educational and Agricultural Associations in Victoria University, on Dec. 30th, a Resolution was passed declaring the present evils to be due to apathy and indifference in the choice of candidates, urging the press and the schools to arouse the public conscience as to the responsibilities of citizenship; and asking that the present system of appointing civil servants as a part of political patronage be replaced by a competitive system based on the English model.

The Dissolution of the Legislature

On Dec. 13th the climax of two years of political struggle, of fierce charges and strenuous defence, came in the announcement that the tenth Legislative Assembly of Ontario had been dissolved—the nominations to take place on Jan. 18th, 1905, and the elections one week later. This was the second appeal to the Province of its fifth Prime Minister. The preceding general elections had taken place in 1867, 1871, 1875, 1879, 1883, 1886, 1890, 1894, 1898, 1902. The first was won by the Hon. John Sandfield Macdonald and the second by the Liberal party which, under the Hon. Edward Blake, Sir Oliver Mowat, Hon. A. S. Hardy and the Hon. G. W. Ross, successively, had ever since held the gates. By the date of Dissolution most of the candidates on both sides were nominated for the long-pending contest. The retirement from the House of several prominent members had already been announced including the Hon. E. J. Davis, Hon. J. R. Stratton, Mr. James Conmee and Mr. John R. Barber. The Legislature which thus passed was destined to go down in history as the scene of the remarkable Gamey charges and the centre of a

conspicuous struggle for power by a Government with a very small and fluctuating majority.

In the contest now precipitated, and for several months before this time, the Government press endeavoured to place the issue before the people as one of beneficial legislation and economical administration, in the past, combined with a programme of further progress, timely reforms and Provincial expansion in the future. During the five years' term of the Ross Government the Temiskaming Railway, the Canadian Northern, the Algoma Central, the James Bay Railway, together with two lines tapping the Grand Trunk Pacific, had been built, or partially built, through portions of Ontario under substantial aid from the Government. Northern Ontario had been explored and no less than 78 new townships surveyed; the pulp industry had been aided and $3,322,000 were already under investment in its mills; the Sault industries had been re-established by the Government's help and 3,900 men were now on the pay roll; in 1901 one million dollars had been set aside to help in building good roads and the Counties were falling into line under the system proposed; public institutions had been well managed, agricultural interests greatly aided and educated, cheese factories and creameries encouraged, Farmers' Institutes established by hundreds; the University of Toronto had been freely aided and free text-books for rural schools arranged; charters had been granted for electrical power development at Niagara Falls and a revenue of $275,000 a year secured; the financial interests of the Province had been conserved and a surplus maintained as against the marked indebtedness of other Provinces. "The establishment and maintenance of honest and capable administration" was declared by the *Globe* (Dec. 16th) to be the entire issue. Electoral corruption could be remedied at any time but not dishonest or incapable administration of Ontario's great heritage.

The development of the lumbering interests, the growth of immigration, the work of the Bureau of Mines, and the work of the Forestry Department in the conservation of the timber resources of the Province, were all dealt with at length. As against the Opposition attacks along the line of corruption it was claimed that the Conservatives' own skirts were far from clean and ballot frauds in the Federal elections of 1891 were instanced; the Liberal Convention's condemnation of corruption was quoted and the *Globe* declared that it would be better to go out of office than sacrifice the letter or spirit of that Resolution; "the redemption of politics both within and without the party" was urged as a strong pledge and a new starting point (Dec.1st). The Opposition campaign was described as one of misrepresentation and slander and the Attorney-General was defended in the Sault matter by pointing to legislation which he had secured for facilitating the trial of election offenders without reference to his Department.

The Government's narrow majority was deplored and appeals made for a large and sufficient one.

The Conservative policy was less complicated as attack often is when compared with defence. Corruption of the constituencies and the country through an organized political "machine" was the main charge and the changes were rung without ceasing upon the scandals in West Elgin, South Oxford, North Perth, North Norfolk, North York, the Sault and West Hastings. Justice was declared to be paralyzed in the Province so far as electoral crime was concerned. Appeals were made on behalf of a party kept in Opposition for three decades and the old and feeble war-horse, "32 years in the saddle," came into popular vogue in cartoons which wielded a really powerful influence against any longer retention of power by the Government. The material development to which the Ross Government pointed with pride was said to be in no way due to their efforts but to result from the work and enterprise of the people. It was pointed out that Provincial expenditures had increased from $2,522,000 in 1871 to $4,888,000 in 1903 with deficits and direct taxation now in sight. But the alleged work of the "machine" was the staple argument and furnished the *News* with a basis for continued and powerful attack. The *Mail* also had a series of articles commencing on Dec. 10th and reviewing the history and work of this organization from the Conservative standpoint.

The Progress of the General Elections

The Premier threw himself into the contest with all his characteristic force and eloquence and every effort was made to affect the result by utilizing the acknowledged strength of his personality in the forefront of the fight. Speaking at Thornhill, on Dec. 8th, the Hon. G. P. Graham illustrated this phase of the conflict: "In all the world, there is no better, stronger, truer specimen of humanity than Hon. G. W. Ross. Those who know of him at a distance have learned to respect him; those who have come closer not only admire his character but love the man. He commands your friendship the moment you meet him."

Mr. Ross delivered many speeches during the campaign in the dying month of the year and the opening weeks of the new one. At Ottawa on Dec. 7th he expressed every hope of a largely increased majority and used words which were afterwards much discussed. "Whatever is written on the pages of our past history which is not pleasant to look at, we are going to forget and we are going to take very good care that there will be no such writings on the pages of the Liberal party in the days to come. That part of our history is closed, I hope, and sealed with seven seals not to be opened in your time or mine. At the same time we are not going to forget that while our opponents are loud in denouncing us for what happened irregularly, they, in asking for the confidence of the country have a record also. That record is not one in regard to which we need fear comparison." He declared himself in

favour of municipalities having supreme control over their local affairs, "so far as might be safe"; of the further development of internal transportation; and of honest elections and a "wider political outlook."

At a Napanee meeting, on Dec. 22nd, Mr. Ross dealt mainly with the charges of corruption. They were mostly political hallucinations "for which he was no more responsible than was Sir W. Laurier for the trick ballot-box in West Hastings. "Still," he said, "I confess with sorrow and regret that some Liberals have been guilty of corrupt practices though it is something not new either in the Liberal or Conservative ranks. . . . We have sinned and repented and are sorry for it." The "machine" was absolutely repudiated. The Sullivans and Sutherland he had never seen except when one of them had been casually pointed out to him. Nor had he ever, so far as he knew, seen or had personal acquaintance with one of the persons convicted of corrupt practices. They had never had any authority to do their work for himself or any member of his Government. Since Confederation 36 Liberals and 40 Conservatives had been unseated. During that period 621 Liberals had been elected with 5 per cent. unseated and 424 Conservatives with 10 per cent. unseated. During his own Administration 47 men who were reported for corrupt practices had been tried and fined or imprisoned. He concluded with an elaboration of the argument that the Conservative party was, in general, more corrupt than the other. As to the "war-horse in the saddle" he had been on the race course 32 years and had never lost a Derby yet.

The meeting at Barrie (Dec. 28th) was notable for an enthusiastic letter of support to the Premier from the Rev. John Gray, of Orillia, a Presbyterian veteran of nearly 50 years in the ministry and for an address dealing chiefly with the general administration of affairs. During 32 years of Government, the Liberals had honestly collected $124,000,000 and honestly expended $121,000,000 of public money with $2,950,000 now in the Treasury. "Fancy the Conservative party in power for 32 years and having any capital!" remarked the Premier. "If you give them a chance, in five years they will not have much in the Treasury." He dealt with the Convention policy and criticized "the Whitney-Gamey party" at length for short-sightedness, incapacity and lack of policy. On Dec. 30th the Premier was banqueted by several hundred members of the Ross Club of Toronto. Sir W. Laurier wrote expressing his "strong admiration for the eloquent speaker, courageous leader and upright man, Mr. Ross." In his speech the Premier found hope in the fact that the Laurier minority of 8,851 in Ontario had been recently reduced to 4,441 and, excluding Tory Toronto, to an actual though small majority. He then traced the history of Liberal administration and Opposition policy in Ontario and claimed that on his side of the House the legislation had been good for 32 years while his party had had far the best

of it in statecraft, foresight, business and legislative capacity. Other speakers were Messrs. T. C. Robinette, K.C., A. Campbell, M.P., Hon. J. C. McCorkill, Treasurer of Quebec, A. T. Hunter, Hon. John Dryden, and the Rev. Dr. G. M. Milligan. The last-mentioned paid a strong, personal tribute to Mr. Ross.

Meantime Mr. Whitney had not been idle and between Dissolution and the end of the year, had addressed various meetings. At Napanee (Dec. 22nd) the Opposition Leader presented clean and honest government as the paramount issue of the campaign. In connection with the rumours that Mr. Gamey would be in any Conservative Cabinet which might come into existence, Mr. Whitney pointed out that it was his intention, if returned to power, to have a Minister of Mines from New Ontario but he, for one, had never thought of appointing Mr. Gamey to the position nor had the latter ever asked him for anything of the kind. "I am not making a Cabinet just now; I am smashing a Cabinet." Mr. W. J. Hanna on this occasion delivered a most effective speech. "The responsibility of what we complain of does not rest on the shoulders of its leaders in the Parliament Buildings at Toronto." At Barrie, on Dec. 28th, Mr. Whitney spoke with much vigour: "At the present day, for the welfare of the people of Ontario, it would be better that the Legislature should be shut up and a padlock put upon the door for ten years rather than that the present state of appalling public immorality should be allowed to continue in this Province. Mr. Chairman, God knows I do not say that as a Conservative; I say it just as one man who believes that the future of this Province will be what the people of the Province make it."

At Brampton, on Dec. 30th, he made a strong appeal for the support of independent men for both constitutional reasons and the cause of political purity. There was no real party government in Ontario when one party could keep in power for 32 years. The pendulum should now be allowed to swing freely: "As public confidence veers about from one side to the other, so from time to time public interest is excited in the discussion of public measures. Mental movement goes on instead of intellectual stagnation and, consequently, the political atmosphere is pure and sweet. The best interests of the people are served by this harmonious working out of the disputes of party, in order that the system of responsible government under our British system may be carried on in the best possible way, to the greatest advantage of the people." He declared that the accounts of the Departments had not been audited for 30 years, reviewed the Conservative policy and urged a measure of law reform which would deal in drastic manner with political corruption. Upon the matter of Coalition proposals he spoke forcibly: "When the time comes that any respectable man occupying a position akin to my own is willing to take office at the hands of men like these that man will receive a lesson that will never need to be demonstrated to another public man in Ontario."

He concluded with a renewed and vigorous denunciation of existing conditions of political corruption.

Passing from the work of the Leaders to the incidents of the campaign it may be noted that on May 30th the appointment by Mr. Whitney of a Provincial organizer was announced in the person of Mr. Andrew Miscampbell, ex-M.L.A., for Sault Ste. Marie. On Dec. 1st it was stated by the *Globe* and other papers that James Vance had relinquished the position of organizer for the Ontario Liberal Association while in the *Mail* of the same day this was denied by Mr. Vance who stated that he had told Senator Kerr, the President of the Association, just before the Liberal Convention that he would like to be relieved of his duties. But in the face of recent insinuations and charges he was not prepared to retire at once. On Dec. 9th, however, the old-time Association was apparently superceded by the organization in Toronto of the "General Reform Association for Ontario," composed of the Ontario members of the Dominion and Provincial Governments, a representative from each Riding Association, and 25 selected gentlemen. Mr. H. M. Mowat, K.C., was chosen as President; Messrs. W. S. Buell of Brockville and W. S. Calvert, M.P., of Strathroy as Vice-Presidents; Mr. P. C. Larkin of Toronto as Treasurer; and Messrs. G. P. Graham, M.L.A., C. M. Bowman, M.L.A., D. J. McDougal of Ottawa, James Chisholm of Hamilton and Lieut.-Col. A. T. Thompson of Cayuga as an Executive Committee. A few days later Mr. F. G. Inwood of Toronto was appointed General Secretary and organizer.

An important incident in this contest, as in that of the Federal elections to a lesser degree, was the influence and work of Mr. R. R. Gamey. He stated on Dec. 16th that in 13 months he had addressed 80 meetings and now expected 15 of a Conservative majority. An illustration of his force as a speaker is found in the fact that at many meetings he would address his audience for two hours or more with apparent ease. Another incident was the bogus ballot-box revelations at Belleville and the subsequent trial before Mr. A. F. Wood, J.P. It is dealt with elsewhere in this volume and had an undoubted effect upon public sentiment in the election.*

* The result of the contest was revealed on Jan. 25th, 1905, as a Conservative majority of over 40. The Provincial Government resigned on Feb. 7th, and Mr. Whitney announced his Cabinet on the following day.

IV.—GENERAL PROVINCIAL AFFAIRS

The Government of Quebec Province in 1904

The Hon. S. N. Parent, Premier of Quebec Province, Mayor, as for many years past, of Quebec City and President of the Quebec Bridge Company, maintained his political position during the year with considerable visible friction in his party and with a good deal more which was not visible. An excellent business man, an astute politician, and an untiring worker, he was not in any sense a speaker and his voice had been heard but seldom in either the Legislature or the Province. Messrs. Lomer Gouin and Adelard Turgeon were the members of his Cabinet upon whom he appeared to depend for oratorical influence and effect and both of these gentlemen developed more or less of a public and natural aspiration during the year to succeed to his position. The Hon. Horace Archambeault, Attorney-General, was understood, however, to be Mr. Parent's own nominee for his position whenever it should become vacant. As in 1903 there were frequent rumours of his impending resignation and the favourite reason given in the press, from time to time, was his alleged acceptance of a position upon the Grand Trunk Pacific Construction Commission. On Apr. 2nd, however, he advised the press that he had no intention of seeking or taking such a position or of retiring from the Premiership. But his health, he admitted, was not all that could be desired. Later in the year, during and after the general elections, the rivalries within the party came to a head.

Meanwhile there had been some bye-elections in the Province. On Feb. 12th Mr. Ernest Lapointe, Liberal, was elected by acclamation in Kamouraska. On Mar. 10th four vacant seats were filled. In Berthier Joseph Lafontaine (Lib.) defeated B. J. Victor (Con.); in Shefford Dr. Auguste Mathieu (Lib.) defeated A. E. Duborge and P. Hubert (Ind.); in Maskinonge Georges Lafontaine (Con.) defeated Jeremie Desaulniers (Lib.); and in Portneuf Damase E. Naud (Con.) defeated C. Deguise (Lib.). The Liberals had, therefore, held Berthier by a small majority as against a preceding acclamation and Shefford by a good majority. They lost Portneuf, which had been Liberal since 1890 and without opposition in 1900; and Maskinonge, which had been Liberal by acclamation at the general elections. The Conservatives, with their membership of 10 in a Legislature of 74 members, were much elated at this result, and predicted the speedy end of the Parent *regime*. Two appointments to the Legislative Council followed on Apr. 6th when Mr. E. B. Garneau replaced his father, the Hon. Pierre Garneau, and Mr. Ernest

De Varennes, of Waterloo, succeeded the Hon. J. C. McCorkill, Provincial Secretary, and now M.L.A. for Brome.

An important incident of the year was the appearance of part of the Report of the Colonization Commission which had been promised the Legislature for some time past. It was signed by Senator J. H. Legris, Chairman, Canon P. N. Thivierge and Mr. John L. Brodie, Commissioners, and by Mr. J. C. Langelier, Secretary. Since its creation on June 14th, 1902, and through various changes in *personnel* the Commission had traversed a considerable portion of the Province and had heard some 325 witnesses, under oath, whose depositions covered 2,500 pages of typewritten manuscript. The conclusions come to were that *bona-fide* settlers had little cause for complaint. The larger timber limit holders such as Hon. W. C. Edwards, Mr. J. R. Booth, or Mr. William Price were glad to have settlers who took public lands for settlement and not for speculation as they helped to guard neighbouring properties from the ravages of fire. There were some isolated cases of injustice on the part of lumbermen but they were few and the Colonization Society of Montreal was strongly condemned for making charges in this respect which they were unable to prove. Illicit speculation in lots was dealt with and special attention drawn to the position of the Royal Paper Mills Co., which had suffered greatly in recent years from the destruction of timber on their limits under pretext of colonization. The Premier's prohibition (as Minister of Lands) of the sale of lands to settlers which were, or might be, under license, was referred to and declared not to be responsible for the recent falling off in the volume of settlement.

The Agents of the Department of Lands throughout the Province were condemned as rendering "pitiable" service to the people and a wholesale change in *personnel* was stated to be necessary. Reform was required at once and regret was expressed that the Department had not taken action before. To the negligence of these Agents was attributed the arrears of $1,000,000 still due on the price of lots. The Commission reported against further surveys as there were now 6,600,747 acres surveyed and ready for settlement. So, in the matter of Colonization roads, upon which $3,492,058 had been spent since Confederation. The cutting of these roads into timber districts was stated not to have been productive of settlement or cultivation in very many cases. They also helped in causing disastrous fires in the richest pine forests of the Province. Colonization Societies were dealt with at length and the work of the Quebec and Lake St. John particularly commended. The Commissioners recommended land-grant subsidies—not convertible into money and of not more than 4,000 acres per mile—to eleven railway lines, including the Trans-Canada project, the Quebec and New Brunswick line, and the road from Montreal to James' Bay. As to the pulp and paper industry they advised that a premium be paid on paper manu-

factured for export, the imposition of a Federal export duty on pulp-wood, and the insertion in all licenses for the cutting of wood of a clause forcing the holder to manufacture in Quebec the pulp-wood made upon his limits.

During the year the various Departments made public their Reports of conditions and operations. The Hon. Adelard Turgeon, Minister of Agriculture, pointed out that in the preceding year 431 addresses had been delivered by Government lecturers to farmers, aggregating 53,000 persons; that much attention had been given to improvements in the breed of horses; that Agricultural Societies now numbered 69 with 17,670 members, subscriptions of $24,661 and a Government grant of $32,477; that Farmers' Clubs numbered 567 with 50,420 members, subscriptions of $60,503, and a grant of $23,470; that over $200,000 a year was now expended upon the encouragement of agriculture; that new experimental fruit stations had been established in four counties and various efforts made to promote the raising of apples, in particular. The Deputy Minister of Colonization reported to his chief, the Hon. Lomer Gouin, that construction work was done on 675 miles of colonization roads costing $109,000 and that various bridges had been built with a view to local development. Other Reports in this Department indicated 10,211 immigrants as landing at Quebec for settlement in the Province—double the number of the previous year; 5,719 as registered at the Montreal offices; and a considerable increase in the number of repatriated French-Canadians from the United States. Of the latter 9,638 came back by way of the Rutland Railway from industrial centres in New England. Provincial railways totalling 3,497 miles, public buildings, the health of the people and sanitation generally were reviewed in Mr. Gouin's Report, as well as the administration of industrial establishments and the workings of the Quebec Trade Disputes Act.

The Hon. Mr. Parent's Report covered the administration of Lands, Mines, and Fisheries. The area of land surveyed and sub-divided into farm lots in the Province was stated at 6,600,747 acres of which 150,553 acres had been sold during the year for $51,801, while $76,776 had been collected on previous sales. The total receipts from all sources in this Department had been $1,455,-386 for the year ending June 30th, 1903. During the year the ground rent collected was $187,206, the timber limit sales realized $352,004, the timber dues were $657,631 and the total from all sources in Woods and Forests revenue was $1,241,814. After referring to the great timber limit regions of the Province in (1) the group watered by the rivers on the north side of Lake Huron, (2) in the basin of the tributary waters of Winnipeg River and (3) on the watershed between the Ottawa River and Lake Huron, the Premier proceeded to review the position of the pulp industry in Quebec:

With us the sale of water-powers is a separate transaction, subject to a special payment and to obligations as regards exploitation offering similar advantages to the Province. Here, moreover, the cutting of timber of this class is subject to the general law and to all the regulations governing the administration of forests and their products. It is true that we allow this timber to be exported when partially prepared and ready for pulping, but we then get an additional duty of 43 cents over and above the 65 cents imposed on spruce intended for sawing, making the duty on timber of that class $1.08 per thousand feet board measure; which is really something. Then, notwithstanding all that has been said about the sacrifice of our forest wealth, this exportation, as regards the yield from territories under license, cannot be very lucrative since it is not increasing to a very marked degree and is still confined to rather restricted limits.

The Session of the Quebec Legislature

On Mar. 22nd the Legislature was opened by the Lieut.-Governor, Sir Louis A. Jetté, K.C.M.G., with a Speech from the Throne which expressed regret at the recent death of the Hon. H. T. Duffy, Treasurer of the Province; congratulated the people upon their continued progress and prosperity; intimated that the negotiations with the Dominion Government to obtain recognition of Provincial rights over the fisheries in its territorial waters, though not concluded, led to hopes of a favourable result; promised an early appearance of the Colonization Commission Report with legislation based upon its conclusions; expressed gratification at the continued mineral development of the Province and especially at an alleged discovery of radium; stated that his Government had every reason to believe that the Federal authorities were seriously considering "the importance of a re-adjustment of Provincial subsidies"; and promised legislation concerning a revision of the statutes and respecting accidents incident to labour. The Session lasted until June 2nd and an interesting fact is noticeable in the submission of 185 Bills to the Assembly of which only 14 were presented by the Government.

It was not a productive Session in any sense despite the array of private measures. The practice of the Parent Government was, in most cases, to leave the individual member free to vote on proposed legislation as he pleased—a principle of action, or inaction, which naturally tended to eliminate party feeling and divisions from the Legislature though the party dominance still remained in the administration of patronage. Amongst the Government measures was the re-introduction of Provincial aid to railways in accordance with the Colonization Commission recommendations elsewhere referred to; an enactment that the salaries of Civil Servants should be liable to seizure as in the case of other citizens; the taxing of extra-Provincial corporations and an enactment making the complainant in a contested election petition liable for any damages the petition might cause; the Colonization Act, with its new principle of permanent distinction between timber hands and farming lands. The most important private legislation effected was the Suburban Tramway Act giving the Montreal Street Railway access to the Terminal Railway's ter-

ritory. At the same time the City of Montreal was refused the right to expropriate the local gas plant or to bury electric wires while the Canadian Electric Power Co. had its charter cut down to a degree which made its use rather improbable.

Meanwhile, the debate on the Address—moved by Dr. Mathieu and Mr. M. Hutchison—had taken place and before its conclusion on Mar. 24th had included vigorous speeches from the Hon. E. J. Flynn, Hon. L. P. Pelletier, Messrs. J. M. Tellier and J. A. Chicoyne for the Opposition and the Hon. Messrs. Turgeon and Gouin for the Government. On Apr. 21st a prolonged discussion took place upon a Report submitted to the Government by the Hon. G. W. Stephens, K.C., in connection with his membership in the Colonization Commission—as first organized. The document, though somewhat along the lines of the one recently submitted by the Commission, was not accepted by the Government as official nor presented by them to the House. A rather exciting incident occurred on Apr. 25th when Mr. J. B. B. Prévost rose in his place and stated that in the hearing of several persons, whose affidavits he read, Ald. S. S. Valliéres of Montreal had that day made a statement at the Chateau Frontenac alleging the members of the Legislature to be "boodlers" and subject to easy purchase by the great corporations.

After a speech in connection with the matter (arising out of the proposed amendment to the Montreal City Charter) and a debate, Mr. Prévost moved that Ald. Valliéres be summoned before the bar of the House. The debate was adjourned and the Alderman responded with a sworn denial of having made these charges and a statement that "the members do their duty to the best of their knowledge." This was corroborated by Ald. Leclair of Montreal and on May 6th Mr. Prévost withdrew his motion. On Apr. 27th Mr. Maurice Perrault (Lib.) spoke with considerable force and eloquence for two and a half hours on the financial condition of the Province and was congratulated by both the Provincial Treasurer and the Opposition Leader. He recommended a land subsidy to Counties as an aid in improving roads; more generous treatment of Education than was shown by the present contribution of 35 cents per head of the population; and a reorganization of their system rather than constant begging for help through increased Federal subsidies.

Perhaps the most important work of the Session, though not so much discussed as was the Montreal legislation, was the Land Bill growing out of the Colonization Commission Report. As presented by the Premier this measure authorized the Government to appoint as many Inspectors of Crown Lands and Timber Agencies as might be required; gave to those entitled to grants of land under the Twelve Children Act, the option of 100 acres to clear and cultivate, or the selection of a lot within a neighbouring territory covered by a timber license, either with a view to settlement, or for the premium of $50.00 payable by the

license holder; empowered the Government to classify public lands as (*a*) lands suitable for cultivation, or (*b*) lands for forest industries, and limited future sales of public lands for Colonization purposes to those classified as intended for cultivation; bound the Crown Lands agents, subject to conditions and prices established by the Government, to sell these latter lands to any *bona-fide* settler who applied, up to 200 acres to one person; compelled the person obtaining such lands to prove the completion of settlement conditions immediately after the close of a year from the date of location; provided for public notice of any cancellation by the Minister of sale, grant, location, or license; gave the Minister of Lands power to exact under oath from saw-mill owners or lumber operators, other than holders of timber licenses, information as to timber in their possession; conferred upon the Minister power to grant and to renew licenses for working sugaries on Crown Lands and for cutting firewood and timber intended for construction purposes and not for trade; gave the Government authority to sell further lands for industrial purposes subject to conditions and prices to be defined by them.

Several sharp debates occurred in the Legislature before this measure became law and the Colonization Commission, upon whose conclusions it was more or less based, came in for considerable criticism. Mr. C. B. Major raised a storm on May 10th when, in reply to comments in the Report upon his own work in securing lots for settlers, he quoted the Premier's statement that the Commission had cost $10,000 and added the following query about its Secretary: "If Mr. Chrysostome Langelier wanted to speak he could say what it cost the lumber merchants." The Hon. E. J. Flynn, as Leader of the Opposition, referred to the subject on May 13th in a long speech of considerable ability. After dealing with the resource of the Province, the duties of a Government in their administration and development, and the great injury done by forest fires, he declared that present difficulties arose mainly from the double ownership of land—the proprietors being practically the settler and the timber merchant. He traced the legislation of the Province affecting this question in detail and, while criticizing the Commission generally, and the Bill in many of its features, approved the principle of the proposals. But he did not find much in the application which he could approve of.

The Hon. Mr. Turgeon followed on behalf of the Government. He defended the Commission and its Secretary, denounced the making of charges without proof, read extracts from the Report sustaining the Government legislation and policy and gave the names of lumbering firms in the Province which annually spent large sums of money in wages and the purchase of supplies. Mr. Flynn moved a long Resolution censuring the Commission as a cumbrous and costly procedure and the Bill as affording no justification for the expense involved. It went on to declare that the remedy for existing troubles lay in wise administration by a

responsible Government. An amendment was moved by Messrs. A. W. Giard and A. Bissonnette (Conservatives) to be added to the above regretting that the measure before the House was so incomplete and ineffective in its encouragement to settlers and in its remedy for the trespass of speculators upon the rights of limit holders.

On May 17th the Hon. L. P. Pelletier dealt with the Bill at length. He claimed it to be trifling in character and not really representative of the conclusions in the Report; to be a clear proof of inability on the part of the Government to settle the troubles between lumbermen and settlers; to be oblivious of the action of timber speculators whom the Government apparently allowed to cut timber, in the months of March and April, belonging to license holders; to be useless against the existing abuses of political influence and the power of lumber dealers. He denounced the clause permitting land agents to sell lots—especially in view of what the Commission said upon this point; declared the old law sufficient if it had been well administered; deprecated the right of selling out to the lumber dealer for $50 under the Twelve Children Act, which had been originally intended to provide a homestead for such families. The Commissioners were described by Mr. Pelletier as having neglected their duties though proving the Premier's Department to be badly administered—despite the contradictory character of much contained in their Report. On the 23rd the two amendments above mentioned were rejected by a party vote of 38 to 9.

Other amendments proposed by the Opposition included the giving of a preference by the limit owners to settlers in the cutting of merchantable timber on lots under location; a limitation in the right to compel information respecting timber in possession to that "which he is personally in a position to supply"; the proposed omission of a clause conceding lands for "pretended industrial purposes" without "measurement, precision, or definition"; regret at the absence of a clause giving settlers free grants of land on which there was no longer any merchantable timber; the determining, more precisely, of cases where the Minister might cancel sales, concessions, leases, locations and permits, so as to guard against arbitrary measures; the giving of general instructions to better assure the preservation of the forest domain and the encouragement of pulp and paper industries. All were rejected upon the usual party divisions and the Bill passed its 3rd reading on May 30th. Meanwhile, on the 19th a deputation from the Limit Holders' Association of the Province had waited upon the Government with Senator Edwards, Mr. J. R. Booth, Mr. W. Power, M.P., Mr. Wm. Price and many others in attendance. The first two gentlemen presented a number of objections. The Bill did not allow the owners of limits enough time to cut the merchantable timber while it encouraged settlers to act as if they

could cut timber where they liked and have the same privileges as lumbermen who were paying good prices for their limits.

The Montreal legislation was much discussed in that City as well as in and about the Legislature. One side claimed the proposed legislation to be in the interest of the Light, Heat and Power Company, of Montreal, and other great corporations while representatives of some of the financial interests involved declared certain clauses to be practical spoliation. On May 17th an amendment providing that nothing in the Suburban Tramway Act should "affect the vested rights and privileges acquired under previous Acts, or otherwise" was voted down by 32 to 26. To the measure incorporating the Canadian Light and Power Company of Montreal an amendment providing that the Company "shall not establish its wires, poles, conduits or other structures necessary for the purposes of this Act in any city or municipality, whatsoever, without having previously obtained the authorization of the Municipal Council of such city or municipality" was voted down by 40 to 12. On May 27th, however, in accordance with amendments in the Legislative Council the House agreed to a clause providing that the rights, privileges, and franchises, conferred under the Act, "cannot be exercised by the Company without having previously obtained the consent of the Councils of the municipalities interested except in so far as it relates to the needs of the Company to reach a municipality which has already given such consent."

A private measure which was at first much criticized was Mr. L. A. Taschereau's Bill providing that certain applicants for permission to practice medicine, who had previously failed in their examinations, should now be admitted to the profession upon passing a defined examination. It was finally accepted by both Houses after the College of Physicians and Surgeons had arranged an amendment which proved fairly satisfactory to those concerned. During the controversy a number of medical students at Laval University sent a petition to the Premier declaring that this Bill would "regularize" the position of some 26 "scabs" who were now taking a medical course.

Toward the close of the Session and in pursuance of the Colonization Commission's Report the Premier introduced and carried legislation giving land grants of 4,000 acres per mile (not convertible into money) to 10 Railway companies which included the Atlantic, Quebec and Western, the Quebec and Lake St. John, the Inter-Provincial and James Bay from Lake Temiskaming northward. To another small line a subsidy of 1,500 acres per mile was given and to the Great Northern Railway a sum of $6,000 to be repaid certain municipalities. In amendment Messrs. Flynn and Pelletier moved, on May 31st, an expression of regret that despite Ministerial declarations and solemn party pledges not to assume fresh responsibilities until the financial position of the Province was assured, the Government should now

at the close of a Session lay down a new policy involving the grant of 1,756,000 acres of land. It was defeated by 43 to 7. Earlier in the Session the Government had presented and carried a measure authorizing the appointment of a Commission to revise and consolidate the Statutes of the Province. Expressions of policy in amendments or Resolutions were presented by the Conservative Opposition during the Session as follows:

1. Regret that the Liberal party after denouncing for years the tax for the maintenance of the Insane in Asylums as unjust and vexatious should now, instead of abolishing it, provide additional means for its collection.

2. Censure of the Government for decreasing the expenditure upon Colonization; for increasing the expenditure in other directions to an alleged sum totalling $4,412,459 in six years over that of a similar period of Conservative rule; for utilizing and adding to taxes previously condemned; for issuing special warrants of $1,054,507 since 1897 after previous denunciation of the system.

3. Censure of the Minister of Lands, Mines and Fisheries for alleged mal-administration, especially in a case reported by Mr. J. C. Langelier in which the fraudulent practice of exporting pulp-wood to the United States without the Government's knowledge, or payment of dues, was stated to have totalled 150,503 cords in the years 1900-1-2.

4. Regret that the Government "persists in selling as timber limits with a view to meeting yearly deficits" considerable areas of the public domain.

5. Demand for full explanations of the "abnormal situation" caused by the total cost of the Quebec Bridge approximating to $7,503,725 instead of the $3,619,450 originally reported to the House by the Company as the estimated cost of construction.

6. Censure of the Prime Minister for holding the "incompatible positions" of President of the Bridge Company, Mayor of Quebec and Premier of the Province as "detrimental to the public interest."

These were all voted down as party Resolutions. A motion not in this category was that of Messrs. J. A. Chicoyne and G. H. St. Pierre (Conservatives) favouring the filling of future vacancies in the appointive Legislative Council by some elective system to be determined by organic law; and outlining an electoral college plan by which the persons chosen should represent the greater interests of the Province such as education, finance, agriculture, industry, labour and the professions. It was defeated, after considerable discussion, by a non-partisan vote of 27 to 15, on May 31st.

The Provincial General Elections in Quebec

The event of the year in the Province was the local general elections. Important as was the Dominion contest it had none of the peculiar developments and special features which characterized the contest precipitated by Mr. Premier Parent when, on Nov. 4th, the day after the Dominion issue was decided, he announced the Dissolution of the Provincial Legislature, with nominations on Nov. 18th, and voting a week later. The Conservative press at once declared that this was taking an undue advantage of a party already in a small minority in the House and in a beaten condition from the Federal contest. It was stated

in some directions that the Lieut.-Governor should not have granted the Dissolution at this juncture. Elsewhere there was some caustic comment. The Vancouver *Province* (Lib.) declared that Mr. Parent "has determined in the most cowardly manner to sneak into office again under cover of Sir Wilfrid Laurier's popularity" while other outside papers called the action a "trick" and a "game" and similar or stronger names.

On Nov. 6th some prominent Conservatives met at Montreal with the Hon. E. J. Flynn in the chair and decided to issue a Manifesto signed by him as Opposition Leader. Amongst those present were the Hon. Mr. Tarte, the Hon. A. Desjardins, Mr. F. D. Monk, M.P., Mr. J. G. H. Bergeron, M.P., Mr. W. J. White, Mr. P. E. LeBlanc, M.L.A., Mr. T. Chase-Casgrain, ex-M.P., and Messrs. L. O. Taillon and M. F. Hackett. In the document issued as a result of this conference it was pointed out by the Hon. E. J. Flynn that the announcement of Dissolution left only 13 days before nomination and the claim was made that this was simply intended to stifle discussion as well as to take unfair advantage of the recent Federal victory. It meant that the Parent Government sought to identify their cause with that of Sir W. Laurier and thus force electors to go to the polls "under false pretences." Such an exercise of the Lieut.-Governor's prerogative was "not justified by any constitutional reason, neither was it in the public interest but dictated by party interest alone." Before such an "audacious attempt to solidify the politics of Ottawa with those of Quebec and to transform the Legislature of the Province into a mere adjunct of the Parliament at Ottawa—a veritable menace to our Provincial autonomy"—the constitutional and political duty of the Opposition was declared to be clear:

> **The Opposition believes that the interest of the Province will be best served and the dignity of our institutions more successfully safeguarded by protesting against this act of the Administration, and in abstaining from taking part in the fight. The Provincial Government has created the situation, this abnormal, this extraordinary, this perilous situation; consequently let it alone bear the responsibility. Once before, in 1900, it committed a similar outrage, and the Opposition at that time wrongly countenanced it. In 1904 Mr. Parent repeats the abuse under still more unfair conditions, and his manoeuvre of to-day is clothed in a character still graver, still more disloyal, and still more unconstitutional.**

Mr. Flynn proceeded to proclaim this public protest and position to be his duty in the premises and to be a defence of the responsible government and Provincial autonomy for which their fathers had fought. To suppress the Opposition utterly and to stifle free discussion, as the Parent Government aimed to do, were incompatible with constitutional government and the Opposition would for the present simply stand aside and watch, with diligence, the result of this dangerous policy. "The Conservative party in the Province of Quebec abstains at the present time but it does not abdicate its functions. We will wait with our

arms in our hands a favourable moment to recommence the battle in the interest of the Province and its institutions." Opinion varied as to this action. Whether it would result in a wiping out of the Conservative party in the Province or in creating a position for the Liberals which would involve internal trouble and the ultimate disruption of their party was the question of the hour. Outside of the Province there was some criticism of the action as indicating weakness and even cowardice. "Lying down under difficulties" was a not uncommon description of the policy, while the Hamilton *Times* (Lib.) described the Conservative party in Quebec as "a rather poor lot" whose "patriotism dies out when hope of office departs." The Toronto *Mail and Empire*, however, hoped that "this dramatic movement" would really serve the purpose of awakening the public conscience and "weakening the conspiracy against public liberty."

Addressing the Quebec Junior Conservative Club on Nov. 10th the Hon. Mr. Flynn urged its members to remain united and to maintain their organization but not to take any active part in the ensuing elections. The Hon. L. P. Pelletier spoke to the same effect and on Nov. 14th issued an open letter declaring that he stood loyally by his Leader in this matter. "No Conservative will stand as a candidate with my direct or indirect approval." After a complimentary reference to Mr. Flynn's work for the party he denounced the attempt to obtain a snap verdict and intimated that if the Government would postpone the elections until February or March the Opposition would meet them in fair fight and face the consequences. Otherwise not one Conservative should "countenance their cowardice by submitting to it." Meantime, Mr. T. Chase-Casgrain, K.C., had approved of this policy of abstention (Nov. 8th) and denounced the Lieut.-Governor's use of his prerogative in the Dissolution. Mr. J. G. H. Bergeron also expressed his public approval of a "striking and emphatic protest" and hoped that not a single Conservative would be found in the next Legislature. Liberal dissensions would surely follow. *L'Evenement*, in Quebec, also endorsed the action but the Montreal *Star* deprecated it on the ground that the Province would be the chief sufferer by the disappearance of an Opposition, however small. Others soon expressed similar views and before long several party candidates were in the field.

Liberals, of course, criticized the policy of abstention. Senator Dandurand declared it a result of Mr. Parent's prudent and honest administration of public affairs. The Montreal *Herald* proclaimed it (Nov. 7th) "a cowardly decision which will cost both Mr. Flynn and the Conservative party dear for many years to come." Mr. R. Bickerdike, M.P., of Montreal, thought it "the last and most evident sign of the decadence of the Tory party" in Quebec. At the same time he drew attention to the way in which the late Legislature had allowed "a dangerous and vicious monopoly to be formed by the Montreal Light, Heat and Power

THE HON. SIMON NAPOLEON PARENT, M.P.P.

Premier of Quebec Province, Mayor of the City of Quebec, and President of the Quebec Bridge Co.

THE HON. EDMUND J. FLYNN, K.C.

Leader of the Conservative Opposition in the Province of Quebec

Company." In this latter connection Senator Dandurand expressed the wish that the Legislature would keep its hands off Montreal. Senator F. L. Beique declared that the Opposition had failed entirely to grasp the patriotic character of its duties, while the Montreal *Witness* thought that politically the move might be a clever one.

On Nov. 8th the Premier issued a reply to Mr. Flynn. He and his colleagues bore, and were willing to bear, full constitutional responsibility for the advice regarding Dissolution which he had considered it a duty to proffer the Lieut.-Governor. In the Legislature and in the Province, he contended, for the past year a ceaseless discussion had been proceeding on public affairs and it was now considered desirable to meet the agitation by an appeal to the people. Owing to recent land and railway legislation the Province had before it an opening period of great prosperity and of important public works and this was another reason for inviting a renewal of popular confidence. In the third place various charges had been made against the independence and character of the late Legislature and it was desirable that they should be dealt with by the people. He then proceeded with the peculiar constitutional claim that the prerogative of dissolution "like all other prerogatives of the Crown, in the Province of Quebec as in England, is only exercised on the advice, constitutionally given, by the Prime Minister enjoying the confidence of the majority of the popular representation." He stated that the electorate had now the power to condemn or approve the Government, while the Opposition which had boasted for several years that the people were dissatisfied, could not logically or honestly blame the action which put this statement to the test.

Meanwhile, a number of Conservatives were refusing to fall in with their Leader's policy of inaction. Mr. G. H. St. Pierre contested Stanstead, Mr. A. W. Giard ran in Compton, Hon. P. E. LeBlanc in Laval, Mr. J. M. Tellier in Joliette and several other candidates also stood to their political guns. In several seats there were very bitter contests between Liberal candidates indicative of an under-current of internal trouble and proving preliminary to events in the succeeding year which well bore out Mr. Flynn's expectation of conflict within that party. In the St. Louis Division of Montreal, the Hon. H. B. Rainville, late Liberal Speaker of the Assembly, was opposed by Mr. Godefroi Langlois, Editor of *Le Canada,* as a Liberal opponent of the Corporation legislation and sympathies which Mr. Rainville was charged with representing. The latter was supported by the Hon. Mr. Parent, the Hon. Mr. Prefontaine, and the Hon. Mr. Tarte in *La Patrie,* while Mr. Langlois had the support of Liberal leaders such as Senators Dandurand, Beique and Cloran and papers such as the *Witness* and the *Herald.*

These latter speakers and papers denounced Mr. Rainville in trenchant terms upon both his Municipal and Legislative

record. In the latter case he was charged with having done his best to place the city at the mercy of a monopoly of which he was a Director—the Light, Heat and Power Company; in the former with exercising (to quote the *Herald*) "a sinister influence over every branch of the civic service." On Nov. 10th, however, Mr. Premier Parent addressed the following letter to Mr. Rainville: "I regret very much Mr. Langlois' attitude, which is not at all consistent with that which he has always championed in his paper, *Le Canada*. His conduct under the circumstances is certainly a lack of discipline, seeing that the Government have accepted you as their candidate. All our friends should therefore understand that you cannot be put aside in face of the very considerable services you have rendered the Liberal cause. This is the position we intend to take, and every vote cast against you will be considered as given against the Government." In reply to this Senator Dandurand expressed the fear that pressure of work and other interests had prevented the Premier from understanding the injury done to Montreal by the Legislative career of Mr. Rainville, and some others, and pointed out that Mr. Langlois was the nominee of a large and representative Convention of Liberals. On Nov. 12th a public meeting, addressed by the three Liberal Senators, strongly endorsed Mr. Langlois as did a similar meeting on the 15th at which Senator Dandurand, Major G. W. Stephens, Hon. Arthur Boyer, Mr. J. S. Brierley and others, spoke.

In the St. Ann's Division the Hon. Dr. J. J. Guerin, a member of the Parent Government without portfolio, was opposed by another Liberal—Mr. M. J. Walsh—upon a platform and with a support very similar to those of Mr. Langlois. At a public meeting on Nov. 21st Mr. Pierre Dufour stated that he had been personally informed by Sir Wilfrid Laurier that if he were voting in the election in Montreal he would support Dr. Guerin as a member of the Parent Administration. The Hon. Lomer Gouin also spoke and strongly urged the election of his colleague. In St. Antoine Division Mr. W. D. Lighthall came out as an Independent but afterwards retired as did Mr. Eugene Lafleur, K.C., who was nominated by a Liberal Convention. Eventually, Ald. C. B. Carter was the candidate of the same element which was supporting Messrs. Langlois and Walsh. In Quebec City the Premier announced his support of Ald. D. Griffin, who had been chosen by a Committee from amongst other candidates, although the latter afterwards repudiated the Committee. There was also trouble as to the candidatures of Georges Darveau and Dr. Jobin in Quebec.

On Dec. 18th the nominations took place throughout the Province and resulted in the return of 34 Liberals.* This left 8

* NOTE—Two others were afterwards returned by acclamation through their opponents retiring rom the contest.

straight party contests, 5 other constituencies in which Conservatives were nominated, 19 constituencies in which the contest was between two or more Liberals, 5 constituencies in which Independents were running and two seats (Gaspé and the Magdalen Islands) in which nominations would take place later. Amongst those returned by acclamation were the Hon. W. A. Weir, Hon. J. C. McCorkill (who had been re-elected in the same way on Nov. 18th as a result of resignation in connection with a long-standing protest), Hon. A. Turgeon, Hon. A. Robitaille, Hon. S. N. Parent, Hon. Lomer Gouin—the entire Government with the exception of Dr. Guerin. On the 25th the one-sided contest terminated in the election of 60 Liberals, 6 Independent-Liberals and 6 Conservatives. Some of the noted Liberals elected were ex-Mayor James Cochrane in Montreal, L. A. Taschereau in Montmorency, and D. Monet, ex-M.P., in Napierville. In Montreal the Hon. Mr. Rainville was defeated by over 200 and the Hon. Dr. Guerin by more than 300 majority. This substantial victory of Messrs. Langlois and Walsh was supported in Quebec City by the election of Dr. Jobin and Mr. J. C. Kaine over local candidates approved by the Premier, and elsewhere by Mr. Monet's election. Ald. C. B. Carter was also elected in Montreal as an Independent-Liberal. The Conservatives elected Mr. P. E. LeBlanc and five others by substantial majorities; redeeming Shefford, in particular, by a majority of 350 for Dr. L. P. Bernard. Several Labour candidates ran and Mr. Latreille received over 500 votes in St. Louis Division, Montreal, or more than half of the Hon. Mr. Rainville's total, while the Labour candidate in Hochelaga obtained over 4,000 votes as against 5,400 for the Liberal candidate. The members returned were as follows:*

Constituency.	Member elected.	Politics.
Compton	A. W. Giard	Cons.
Laval	Hon. P. E. Leblanc	"
Lotbinière	N. Lemay	"
Maskinonge	G. Lafontaine	"
Shefford	Dr. L. P. Bernard	"
Joliette	J. M. Tellier	"
Montreal—St. Antoine	C. B. Carter	Ind. Lib.
Argenteuil	*Hon. W. A. Weir	Lib.
Arthabaska	*P. Tourigny	"
Bagot	*F. H. Daignault	"
Beauce	*J. A. Godbout	"
Beauharnois	A. Bergevin	"
Bellechasse	*Hon. A. Turgeon	"
Bonaventure	J. H. Kelly	"
Berthier	*J. Lafontaine	"
Brome	*Hon J. C. McCorkill	"
Chambly	M. Perreault	"
Champlain	P. C. Neault	"
Charlevoix	P. D. Auteuil	"
Chateauguay	*F. X. Dupuis	"
Chicoutimi	*H. Petit	"
Dorchester	*A. Morrisette	"

* NOTE—Those marked with an asterisk (*) were elected by acclamation.

Constituency.	Member elected.	Politics.
Drummond	J. Laferte	Lib.
Hochelaga	J. Decarie	"
Huntingdon	*W. H. Walker	"
Iberville	F. Gosselin	"
Jacques Cartier	J. A. Chauret	"
Kamouraska	*L. R. Roy	"
Lake St. John	G. Tanguay	"
Laprairie	*C. S. Cherrier	"
L'Assomption	*J. E. Duhamel	"
Levis	*J. C. Blouin	"
L'Islet	*J. E. Caron	"
Matane	*Donat Caron	"
Megantic	*G. R. Smith	"
Missisquoi	*J. J. B. Gosselin	"
Montcalm	*P. J. L. Bissonnette	"
Montmagny	*E. Roy	"
Montmorency	*L. A. Taschereau	"
Montreal—No. 1, St. Mary's	G. A. Lacombe	"
" " 2, St. James	*Hon. L. Gouin	"
" " 3, St. Louis	G. Langlois	Ind. Lib.
" " 4, St. Lawrence	James Cochrane	Lib.
" " 6, St. Ann's	M. J. Walsh	Ind. Lib.
Napierville	D. Monet	"
Nicolet	*M. A. Marchildon	Lib.
Ottawa	F. A. Grendron	"
Pontiac	*D. Gillies	"
Portneuf	E. A. Panet	"
Quebec—Centre	*Hon. A. Robitaille	"
" East	Dr. Jobin	Ind. Lib.
" West	J. C. Kaine	"
" County	*C. F. Delage	Lib.
Richelieu	L. P. P. Cardin	"
Richmond	*P. S. G. Mackenzie	"
Rimouski	A. Tessier	"
Rouville	*A. Girard	"
Sherbrooke	*P. Pelletier	"
Soulanges	C. Mousseau	"
Stanstead	A. Bissonnette	"
St. Hyacinthe	*J. Morin	"
St. John's	P. H. Roy	"
St. Maurice	Dr. L. P. Fiset	"
St. Sauveur	*Hon. S. N. Parent	"
Temiscouata	N. Dion	"
Two Mountains	*H. Champagne	"
Terrebonne	F. J. B. Prévost	"
Three Rivers	*J. A. Tessier	"
Vaudreuil	*H. Pilon	"
Verchéres	A. Geoffrion	"
Wolfe	P. Tanguay	"
Yamaska	*L. J. Allard	"

Following the elections Mr. E. J. Flynn, on Dec. 27th, addressed a meeting of Conservatives in Montreal, and discussed the project of a Provincial Conservative Convention which he declared to be necessary. He also took occasion to define the position of a party leader. "You will have to take on yourselves the choice of a leader; but to be a real leader he must have absolute control, otherwise he cannot be held to responsibility. I have done all I could, but circumstances were too much for me. A leader must be respected and obeyed; it is that which I desire above all; it is that upon which hinges the future of the party."

On Nov. 28th Dr. J. L. Lemieux of Montreal was returned by acclamation for Gaspé.

Internal Complications in the Liberal Party

Meanwhile the troubles in the dominant party, which had been developing steadily in a silent sort of way, had been greatly aided by the official Conservative abstention from the campaign. To a considerable though unnoticed extent the quiet movement which had been going on for a change in the Premiership was due to the Premier's indirect withdrawal from leadership in the House by his tacit permission to members to do as they liked with legislation apart from the few Government measures annually submitted. Mr. Lomer Gouin, who now appeared to be the favourite, and in popular line for the succession, was a son-in-law of the late Honoré Mercier and a man of distinct eloquence and capacity. The frequent rumours as to Mr. Premier Parent's resignation were also strengthened by the result of the Elections which, while weakening the Conservative Opposition in the House at the same time established an opposing element to the Premier in the Liberal ranks composed of men like Messrs. Langlois Walsh, Carter, Monet and Geoffrion with others of more uncertain attitude. During the contest another and even more distinct line of cleavage had been created. In a speech on Nov. 21st Senator J. H. Legris declared that no reason of public interest could justify the Dissolution and continued:

> I come as a Liberal to denounce a Liberal Government. Mr. Parent, as Minister of Crown Lands and as Prime Minister, has brought the Liberal party and the Province into an era which can only end in ruin notwithstanding the apparent successes and the surpluses, not less apparent, in the public Treasury. I myself am the interpreter of the views of a great many of the Liberal leaders in saying that Mr. Parent has not only been a curse to his party but for the Province.
>
> I was appointed by Mr. Parent to preside over the Inquiry on the lumber industry and colonization. I do not hesitate to say that brigandage is openly practised in the Crown Lands Department with Mr. Parent's sanction. Our system of forest sales is abominable. Every year hundreds of thousand of dollars which belong to the Crown fall into the pockets of Mr. Parent's favourites. Charity prevents me from going further. Our timber limits are sold in a way which forces me to believe that Mr. Parent desires to depreciate their price instead of enhancing it.

Four days later *L'Evenement,* of Quebec City, contained a letter from Senator P. A. Choquette, the specially-selected Provincial organizer for Sir Wilfrid Laurier in the Dominion elections. In it the Senator avowed his intention of denouncing the Premier and this he endeavoured to do at a stormy meeting that evening; while Mr. Parent at another meeting declared the Senator to be liable to explosion in his utterances, like a sky-rocket, and to be too much of a Nationalist in his sentiments. It appeared also that the two politicians had personally quarrelled in the morning over the Premier's alleged support of a candidate with Conservative affiliations in Charlevoix. On Nov. 28th, after the elections, Senator Choquette wrote to the Conservative paper, the

Chronicle, of Quebec, reviewing this difficulty with the Premier and concluded by declaring the result of the contest in Quebec East and West to be a deserved condemnation of Mr. Parent:

> With these few facts before them, I think the public, and especially the English-speaking public, will see that, besides being a traitor to his friends, Mr. Parent is further capable of falsifying the truth in order to humbug the English population and of trying, like a coward, to tarnish the character and the reputation of men, who yet have done for him more than he ever deserved. I consequently leave the public to judge the difference between us and in this instance, as in so many others—and especially in his administration of the Crown Lands—to use the forceful, but perfectly justifiable expression of my colleague, Hon. Senator Legris. I may say that a man must be a fool or a criminal to act in such a way and Mr. Parent is not a fool.

To this bitter attack, the Premier replied in *Le Soleil* on the same day. He described the charges as grave enough but so vague as to defy analysis. For 11 years he had been Mayor of Quebec and for 8 years had administered the Department of Crown Lands. To his record in these important positions he was willing to leave his reputation for honesty against the calumnies which Senator Choquette had uttered. In immediate reply the latter published a number of telegrams and letters relating to the Charlevoix election and summarized his accusations against the Premier as follows: "I accused him, first, of treachery to his party and his friends; second, of having sought to dupe the English element by stating that in the Charlevoix election, Nationalism was in question; third, of the charges formally made by Senator Legris, which I endorsed, against his administration of the Crown Lands."

Following this came an action for damages taken by the Premier against the Senator; rumours of dissension in the Cabinet and the impending retirement of Messrs. Gouin and Turgeon; and a circular letter sent by Mr. Choquette to the Liberal members of the Legislature asking them to make no pledges regarding the Parent Government, and especially as to the election of a Speaker, in the new Assembly. One of the replies evoked by this communication was from Mr. F. X. Dupuis, M.L.A., for Chateauguay and could not have been very pleasing to the Senator. In it the latter's conduct was characterized as extraordinary, as indirectly aiding the Conservatives, as an attempt to induce the Liberal representatives to betray their constituents and as indicating either personal resentment or ambition. "What right have you, Sir, a member of the Federal Parliament, to meddle with our business? By what authority do you attempt to decapitate the Liberal Government of the Province of Quebec."

The year closed with numerous and defined statements as to the coming retirement of Messrs. Gouin and Turgeon from the Government and their return to office with the former as Premier and with support from a majority in the Assembly. On Dec. 20th a most representative banquet was tendered the Hon. Adelard

Turgeon, Minister of Agriculture, at the Chateau Frontenac in Quebec, in recognition of his recent receipt of the Legion of Honour from the French Government and the Order of Leopold from that of Belgium. They were granted in appreciation of services rendered in connection with the Honfleur and Liege Exhibitions. Some 250 guests were present with Mr. Justice F. Langelier in the chair, and including Senator Choquette, the Hon. H. Archambeault, G. W. Parent, M.P., Hon. J. C. McCorkill, Sir C. A. P. Pelletier, Hon. A. Robitaille, Hon. Dr. Guerin, V. Chateauvert, Senator Tessier and Camille Piché, M.P. Mr. Turgeon's speech was a most eloquent effort dealing with the resources, trade interests and industrial position of the Dominion. After referring to their love for France—a country to which they were "forever bound by wealth of memories, traditions, struggles, sorrows and glories"; by the air which they breathed, the tales of the fireside, the teachings of the school, the habit of mind which no event could alter or assault weaken; he dealt with the loyalty of the French people to the British connection and the advantage of racial dualism in the development of a young nation like Canada.

Politics and Legislation in Nova Scotia

Provincial politics were not exciting in Nova Scotia during 1904 and no very important changes in the Government took place. In June the Hon. T. R. Black, a member without portfolio, retired in order to accept a seat in the Senate of Canada. From the House of Assembly, several prominent Liberal members retired in order to contest seats for the House of Commons in the General Elections—including Messrs. F. A. Lawrence, E. M. Macdonald, D. D. McKenzie, A. K. Maclean and Duncan Finlayson—who were all elected. A number of bye-elections took place during the year with almost uninterrupted Liberal success. On Jan. 5th Mr. G. G. Sanderson was returned by acclamation from Yarmouth to the House of Assembly; on Jan. 12th Mr. George Cox was elected for Shelburne in succession to the late Hon. Thomas Johnson. In December several bye-elections occurred as a result of the resignations mentioned above and following a public discussion as to whether Mr. Premier Murray would take advantage of the Liberal wave and bring on his general elections as Mr. Parent had done in Quebec. In the result Mr. J. F. Ellis in Guysborough and Mr. Charles V. Mader in Lunenburg (both Liberals) were elected by acclamation on the 8th and on Dec. 15th Dr. A. S. Kendall defeated Mr. James Boyd (Labour) in Cape Breton by 2,190 majority; Colonel H. T. Lawrence defeated Mr. J. Suckling in Colchester by 157; Mr. E. B. Paul won in Cumberland over Mr. J. W. Day by 563 majority; Mr. R. M. McGregor defeated Mr. Adam C. Bell, the well-known ex-M.P. for the County, in Pictou; and Dr. C. P. Bissett defeated Mr. A. J. Boyd in Richmond, by 226 majority. In the latter case both candidates were Liberals; in the others the contests were of a

straight party description (except in Cape Breton) and in each case the Liberal was elected. This left the House of Assembly standing 36 Liberals to 2 Conservatives.

Meanwhile the Legislature had been sitting in a Session which commenced on Dec. 3rd, 1903,* and was resumed again on Jan. 7th, 1904, after adjournment on Dec. 11th. Its preliminary business was connected with the urgent necessity for a special Act authorizing the recently made agreement between the Dominion Coal and Dominion Steel Companies. After this matter had been dealt with the adjournment took place. On Jan. 12th, when the House was again sitting, the Hon. Mr. Longley, Attorney-General, presented a special and personal Report upon the Reformatory institutions of the Province. He gave elaborate details and particulars—especially as to the desirability of public care for those of defective intelligence. His conclusions seemed to favour a central reformatory prison for all classes and creeds and for both sexes. On the 21st Mr. C. E. Tanner the Opposition Leader, asked for better arrangements in the celebration of Victoria Day and the King's Birthday in the Province. Mr. Premier Murray cordially approved the suggestion and promised official action.

In connection with the Hon. Mr. Drysdale's measure reforming the method of dealing with and constructing bridges, under Government auspices, debates took place at this date and on Jan. 28th and Feb. 4th—Mr. Daniel McLeod (Cons.) criticizing the Government with much detail. His amendment striking out a clause providing for the deduction of annual interest and sinking fund payments from the municipal road-grants was rejected by 26 votes to 2 after Mr. Tanner had drawn attention to the steady increase in Provincial revenue and the steady decrease in municipal road-grants from $124,106 in 1883 to $73,552 in 1903. Mr. Tanner spoke at length in the Assembly, on Feb. 3rd, regarding the Crown Lands of the Province and the necessity of improved measures for forest preservation. He believed their timber resources to have been largely destroyed and blamed the policy—recently changed—of disposing of timber lands in fee simple instead of by lease. He urged the setting apart of forest reserves and the official encouragement of tree planting; coupled with education of the people in the value of forests and in the desirability of supporting forestry as a practical policy.

An interesting discussion took place, on Feb. 24th, based upon an alleged abuse of power by the Mabou and Gulf Railway Company in the expropriation of certain private property for which the owner could get no payment either from the Corporation or the Municipal Council. It turned into an attack upon the power granted this and other small Railway concerns, led by Mr. D. D. McKenzie of Inverness, who claimed that existing charters gave the practical right of taking land and destroying

* See *Canadian Annual Review* for 1903, pages 165, 166.

farms without payment or responsibility. He was supported by Mr. Tanner. Mr. James McDonald of the same County, the Hon. Mr. Drysdale and the Hon. Mr. Longley took high ground upon the sacredness of charters and the necessity of maintaining the public credit for moneys invested under Legislative enactment. After a long debate Mr. McKenzie's amendment restricting the powers given in this particular charter was rejected by 18 votes to 7. On the following day a special Report was presented by the Hon. Mr. Drysdale from Mr. R. M. McColl, Assistant Provincial Engineer. In this document the condition of Nova Scotian roads and bridges was elaborately treated and the expenditure of $65,000 a year recommended together with the abolition of statute labour, Government aid to municipalities in the building of permanent roads, and the appointment of an official to give instruction in such work. Power was granted the Government at a later stage for the appointment of a Roads' Instructor.

In connection with the Report of a Special Committee, submitted on Feb. 24th by the Hon. T. R. Black, and recommending that all Loan Companies doing business in the Province should have their contracts and by-laws approved by the Governor-in-Council, with no forfeiture clause allowed in any contract, Mr. Premier Murray, five days later, presented a measure carrying out these suggestions—though without retroactive conditions as to contracts—and providing various safe-guards against improper business methods. On Mar. 2nd Mr. E. M. Macdonald precipitated a long discussion regarding the rights of way granted to the Eastern Extension Railway and the claims of the Counties of Pictou, Antigonish and Guysborough for refund of moneys paid in this respect. The Premier approved the story of the facts in the case but could not quite agree that the Government, in purchasing this road, had assumed a liability to repay the municipalities for their expenditures. It would, however, be carefully considered.

On Mar. 4th the Legislature was prorogued by the Lieut.-Governor after 193 Acts had been given the Royal assent. Amongst other more or less important legislation of the Session was the Premier's measure amending the Public Health Act so as to replace the Provincial Board of Health by a Health Officer under the control of the Provincial Secretary; Mr. B. F. Pearson's Registration of Titles Act embodying and adopting the Torrens system; the Hon. Mr. Drysdale's measure providing that the Government could borrow at one time, if necessary, the whole of the money required for authorized advances to the Halifax and South-Western Railway; and the appointment, on motion of Mr. M. H. Nickerson, of a Committee to take evidence and make recommendations regarding the Dog-fish nuisance in the Fisheries of the coast. An amendment in the Legislative Council to a Bill consolidating Acts relating to the Sisters of Charity provided against any exemption of the property of this religious organiza-

tion from taxation in Acts of Incorporation. The House of Assembly would not agree to this and the Council insisted so that the measure failed to become law.

Political Affairs in New Brunswick

Two changes occurred in the Government of New Brunswick during the year. On Feb. 1st the Hon. H. A. McKeown, K.C., wrote to Mr. Premier Tweedie advising him of his acceptance of the Liberal nomination in St. John for the House of Commons, in succession to the Hon. A. G. Blair, and tendering his resignation of the post of Solicitor-General. It was accepted with expressions of regret. He also retired from the Legislature and, it may be added, was defeated in his contest with Dr. Daniel as well as in the succeeding one during the general elections. After a long interval and varied rumours as to his successor, the Hon. F. J. Sweeney, member of the Government without portfolio, was appointed on Dec. 7th and sworn in on the succeeding day. He was re-elected to the House from Westmoreland, by acclamation, on Dec. 27th. Three days later Mr. Robert Maxwell was elected over the Government candidate, Mr. A. O. Skinner, in St. John City, by 106 majority and Mr. James Lowell (Lib.) in St. John County over Mr. M. E. Agar by 414 majority. The former result was a gain for Mr. Douglas Hazen's meagre following of 11 in a House of 46 members. On the other hand he lost Mr. W. S. Loggie, who resigned to contest Northumberland for the Dominion House and his successor had not been elected up to the end of the year. Incidentally, it may be said, the Temperance question had a considerable place in the St. John contest—the Prohibitionists endorsing Mr. Maxwell and the Liquor interest being accused by the Conservatives of having fought them most vigorously. The County vacancy had been caused on Mch. 28th by the retirement of the Hon. A. T. Dunn, from the Government and his position of Surveyor-General, in order to accept the Collectorship of Customs at St. John. Various members of the Legislature, including Messrs. James Barnes, W. P. Jones, George Robertson and George W. Allen were suggested by the press for Mr. Dunn's place in the Government, but up to the close of the year no appointment was made.

Meanwhile the Legislature had been opened by Lieut.-Governor, the Hon. J. B. Snowball, on Mar. 3rd, with a Speech from the Throne which expressed gratitude for the general prosperity and the high prices current for agricultural products; described the success of the Government's efforts to develop Provincial coal areas through the building of necessary short lines of rail; referred to the arrangements entered into by the Government, concurrently with the Dominion authorities, to aid in the construction of a dry-dock at St. John; stated that an appeal had been taken by the Government to the Judicial Committee of the Privy Council regarding the reduction of New Brunswick's representation at Ottawa; referred to the agreement with the Dominion Government

for submission to the Supreme Court of Canada of a number of questions dealing with the respective rights of the Provincial and Dominion Governments in the Fisheries of the tidal waters of the Provinces; repeated assurances that the Provincial claims in the matter of the Halifax Award would probably be referred to the same authority for consideration and that a re-adjustment of Provincial subsidies would eventually be made; referred to the completion of the Macdonald Consolidated School erected at Kingston by the generosity of Sir W. C. Macdonald; and promised legislation improving the Highway Act and dealing with the Provincial Insane Asylum. A Factory Act was also promised. The Address in reply was moved by Messrs. H. F. McLatchy and C. M. Leger and passed on the following day without amendment.

On Mar. 15th Mr. Hazen and Mr. Loggie moved a Resolution on behalf of the Opposition censuring the Government for having kept the St. John seat open since the retirement of the Hon. Mr. McKeown on Feb. 8th. It was defeated by 31 to 10 and an amendment carried by the same vote declaring that this delay was quite justifiable in view of the coming legislation amending the Election Law so as to provide for a secret ballot and greater purity in elections. Two days later Messrs. J. K. Flemming and D. Morrison moved a Resolution asking for legislation to prevent logs and other lumber, grown and cut on Crown Lands, from being exported out of the Province in a round or unmanufactured state and recapitulating conditions under which the mills of the State of Maine were said to greatly benefit while Provincial wage-earners were prevented by the Alien Labour Law from crossing the frontier to share in this industrial work.

The Premier moved in amendment that the matter be referred to a Select Committee of 7 members for investigation and this was approved by the House—the Hon. Messrs. L. J. Tweedie, W. Pugsley and G. F. Hill, with Messrs. James Burgess, jr., W. C. H. Grimmer, John Morrissy and J. K. Flemming, being afterwards appointed. They reported to the House on Apr. 16th, through Mr. Premier Tweedie as representing all the members but Mr. Flemming, that much evidence had been heard and the conclusion come to that comparatively little Provincial lumber or logs was shipped from Crown Lands across the frontier for manufacture; that large quantities were so brought from the State of Maine to St. John and a considerable industry thus maintained; that many Canadian citizens were employed in mills across the line; that legislation of the kind proposed would only be an irritation to United States interests without benefiting Canadians and be an actual injury to Provincial pulp concerns. Mr. Flemming objected to these conclusions as being largely based upon the views of men interested in Maine mills. At the same time he was not opposed to delay in action.

The promised Factory Act was presented to the House by Hon.

Mr. Pugsley, the Attorney-General, on Mar. 16th. It provided for the appointment of Inspectors; the registration of factories with a small fee to the municipality; the exclusion of boys and girls under 14 years of age except in special circumstances and with the Inspector's authority; proper provision for rooms in which to eat food; abolition of the sweating system and provision for legal holidays and Saturday afternoons; better protection as to fires and improved sanitary arrangements. The Attorney-General explained the measure on Mar. 24th, and it was, thereafter, discussed at length. Opposition to it was based upon the claim that it was unnecessary and, in any event, hasty and so a meeting of manufacturers in St. John, on the 27th, declared. The Government heard deputations from this interest, from the St. John Board of Trade and from the Labour Council and, on Apr. 5th, Mr. Pugsley announced in the House that for these reasons and because the Government intended to drop some of the clauses and to organize a Bureau of Labour it might be necessary to carry the measure over to another Session. On the following day he stated that this had been decided upon as well as the interim appointment of a Committee of Inquiry with power to report a Bill to the Legislature and composed of five members—one of them to be a woman and the other four to represent employers, workingmen and other interests.

A keenly discussed measure was the proposed amendment of the Assessment law as it affected St. John. It altered the method of taxing banks, imposing a license fee of $500 on those not having their head office in the City and a tax of one-fifteenth of one per cent. on the average amount of local loans and deposits. The Bank of New Brunswick was treated separately by being relieved of assessment on its capital stock while being required to pay a license fee of $2,500 in addition to the one-fifteenth clause. The issue lay largely between the Bank of New Brunswick which asked the Legislature to equalize its taxation with that of similar interests and the City itself which expected to lose a considerable sum in taxes by the re-adjustment instead of receiving more from that source—as was originally proposed. Finally, a compromise in details was effected, and the measure passed the House.

On Apr. 13th Mr. Hazen moved a Resolution declaring that "in the interest of good government and of the independence of members of this Assembly and to avoid the imputation of corrupt subserviency of members to the Government of the day it is necessary in the public interest that no member of the Assembly save and except members of the Executive Council should, directly or indirectly, receive public money as emolument of, or salary for, services on behalf of the Province." The motion was in a form which constituted it a vote of want of confidence and it was indirectly aimed at the Attorney-General who was accused of accepting remuneration from varied sources for his legal and other services. The Hon. Dr. Pugsley presented an elaborate answer

and defence claiming that he could make far more in private practice than he was now receiving. "If I had to live by my salary as Attorney-General I would have to go out of public life." The motion was defeated by 25 votes to 9. On the 19th Messrs. G. J. Clarke and T. A. Hartt presented a Resolution in favour of the acquisition by the Dominion Government of the New Brunswick Southern Railway and its operation as part of the Intercolonial system. It was claimed that such action would make this road an important feeder of the Government Railway and a connecting link with the United States railway system by way of the Washington County, Maine Central and Boston and Maine Railways. The Government opposed the motion on the ground of its being "inexpedient at the present time to express any opinion as to the advisability or otherwise of the Dominion Government acquiring branch railways" and an amendment to this effect carried by 28 to 11.

In connection with the Government's measure amending the Highway Act so as to provide for better methods of expending money on roads, etc., the Opposition moved amendments on Apr. 19th declaring that money raised by taxation in the Counties, for such purposes, should be handed over to the County Councils for expenditure; that highways should not be vested in the Crown but that property rights and title therein should remain in the owners of the adjacent land; and that the present system of annual allotment to each County should be maintained as being fair and equitable. All were voted down in party divisions. The Legislature was prorogued on Apr. 20th after passing other measures amongst which was one dealing with the name and administration of the Provincial Insane Asylum; another changing the regulations regarding timber on the Crown Lands and adding 25 cents to the stumpage dues and $4.00 to the mileage; and one providing for a secret ballot by means (chiefly) of an official envelope in which each ballot must be placed. A Resolution endorsing the Chamberlain policy was also passed.

Public Affairs and General Elections in Prince Edward Island

Early in the year the Island Government lost a prominent member (without portfolio) in the person of Hon. J. F. Whear who was announced in March to have been appointed Assistant P. O. Inspector for the Island. His successor, Mr. George E. Hughes, was sworn in on Mar. 31st and Dr. A. E. Douglas was on the same date appointed Deputy Speaker of the Legislature. At this time also Mr. H. J. Palmer, K.C., resigned his seat in the Legislature for reasons of a technical nature. The Hon. Benjamin Rogers resigned his seat in the Government on Sept. 28th and Messrs. J. W. Richards and R. C. McLeod (without Portfolio) on Oct. 24th. Two bye-elections occurred on Mar. 16th when Dr. James Warburton, ex-Mayor of Charlottetown and a Liberal, was elected over Mr. P. S. Brown, a Conservative and hotel-keeper, by 327 majority and Mr. James

McIsaac (Con.) was elected in 2nd King's District over his Liberal opponent, Mr. Thomas Kickham, by 75 majority. This was an Opposition gain. On Mar. 29th Mr. Patrick Kelly was returned for the 3rd District of King's over Mr. D. Segsworth, Liberal, by 56 majority.

The 4th Session of the 4th General Assembly of the Island was opened by Lieut.-Governor P. A. McIntyre on Mar. 24th with a Speech from the Throne in which reference was made to the adverse decision of the Supreme Court of Canada regarding the reduction of Provincial representation at Ottawa under the recent Redistribution Act and the ensuing appeal of his Government to the Judicial Committee; to the Provincial claim in connection with the Halifax Fishery Award moneys and the submission of a case to the Supreme Court which it was hoped would result in settling the question and largely augmenting Provincial revenues; to the consideration by the Dominion Government of the demand for increased Provincial subsidies; to the Government's policy of fostering and encouraging the agricultural interests of the Island. The Address in reply was moved by Dr. Douglas, seconded by Mr. Matthew Smith, and, after debate, was passed without division on Apr. 6th.

The work of the ensuing Session was not very pronounced in volume or value. Some 24 measures were passed of which 11 were private Acts of Incorporation. Some time and discussion was spent upon the alleged and technical violation of the Independence of Parliament Act by Mr. H. J. Palmer, a Government member, and Mr. Dougald Currie, an Opposition member and a Resolution in favour of Mr. Chamberlain's policy was passed. The House was prorogued on Apr. 30th after Mr. J. A. Mathieson, Leader of the Opposition, had presented a long Resolution which was important as embodying the Opposition charges and policy in the ensuing elections. It was ruled out of order by the Speaker but may be briefly summarized here as a detailed condemnation of the Government:

1. For failing to make the revenues and expenditure meet either in past years or in the estimates of the coming year.
2. For not retaining the moneys arising out of the succession duties in a promised special fund for maintenance of the poor and insane.
3. For having borrowed money in excess of the Statutes and without giving security to the lenders.
4. For having failed to protect stock-raisers against the importation of diseased cattle, for mismanagement of the Provincial stock-farm and for selling stock therefrom at prices far below the market value, by private sale, and contrary to law.
5. For the unsatisfactory and growing conditions of the Debenture Debt of the Province.
6. For systematic violation of the law regarding public schools.
7. For neglect of public works, improvident expenditure of moneys voted by the Legislature, abandonment of the principle of open competition in contracts and the allowing of contracts to be held by the Government members.
8. For having passed through the House a Statute setting free candi-

dates from responsibility for the corrupt acts of their agents, except in certain cases, "which had the effect of preventing the trial of election petitions then pending against members of the Government and their supporters in this House."

9. For keeping the public accounts improperly, concealing various debts and paying out large sums without Legislative authority.

10. For allowing public money to be unlawfully used by members of the Government and for entering into contracts with members of the House contrary to law.

Meanwhile there had been considerable speculation as to a successor to the Lieut.-Governor whose term expired on June 1st and those most prominently urged for the position were Mr. Donald Alexander Mackinnon, K.C., M.P.; Hon. Peter McNutt, M.L.A.; Hon. Arthur Peters, K.C., M.L.A., Premier of the Province; Hon. Benjamin Rogers, M.L.A., Commissioner of Agriculture; and Senator John Yeo, who had declined it five years previously. On Oct. 2nd it was announced that Mr. Mackinnon had received the appointment. On Nov. 9th the Island Legislature was dissolved, with nominations on the 30th and Elections on Dec. 7th. At the preceding Election in December, 1900, the successful Liberals, or Ministerialists, numbered 22 and Conservatives 8, while the former, in the House just dissolved, numbered 19 and the Opposition 11. With eight or nine members in the Government—four with Portfolios and the rest without—and a House of only 30 members it was, of course, not easy to defeat an Administration which, under various leaders, the Liberal party had controlled since 1891. Moreover, although three Conservatives had been returned to Ottawa in the recent Federal elections, the Government had with them the confidence and spirit arising out of the general Dominion success and the recognition of the practical fact that a Liberal Ministry might get better financial terms at Ottawa than a Conservative one and quicker recognition of Provincial claims. The old-time system of open voting was also a favourable factor. Against the Government was the increasing taxation and indebtedness, the prevailing lack of prosperity amongst the Island farmers and leadership of the Conservatives by a young and talented man. As to actual performance the Liberal party had to its credit the abolition of the Legislative Council, or rather its curious amalgamation with the Assembly; the obtaining of some important financial re-arrangements from the Dominion; and the passing of a fairly popular, though not always enforced, Prohibitory Liquor law.

During the ensuing contest the Opposition presented at length the arguments summarized above from Mr. Mathieson's Resolution in the Legislature and, in Charlottetown, appeared to have the support of the Liquor interests. In Prince County two of the Conservative candidates, however, pledged themselves to support Prohibition for the whole Island—it only being in force where the Canada Temperance Act had been repealed which made Charlottetown the only locality subject to the law. The partisan

complication may be further illustrated by Dr. McNeill's charge at a Charlottetown meeting on Dec. 1st that "the Liberal party came into power in 1891 on the top of a wave of promises and whiskey." On nomination day two candidates were returned by acclamation—the Hon. J. W. Richards, a member of the Government and Mr. A. J. McDonald a member of the Opposition.

The final result as revealed on Nov. 3rd was complicated by the peculiar franchise system of the Island under which it was divided into 15 electoral districts, 5 in each County and each electing two members called, respectively, the Assemblyman and the Councillor. In their powers and functions as members of one House their position was identical but they were elected by different constituent elements—to the Assembly by manhood suffrage, to the other by land-holders. In urban districts the former vote prevailed most largely; in rural places the latter almost entirely. The Government were unquestionably returned to power, although the Conservatives appeared to have gained some seats and there was at first doubt as to the election of the Premier and the Hon. Mr Cummiskey. Eventually the former's minority of one was found to be an exact equality of votes with his opponent, Mr. H. D. McEwen.* The general result of the contest—exclusive of this St. Peter's division, and showing 21 Liberals and 8 Conservatives—was as follows:

Constituency.	Member elected.	Politics.
Prince County—		
Alberton	Benjamin Gallant	Lib.
	John Agnew	"
Bideford	Hon. James Richards	"
	A. McWilliams	"
Malpeque	J. F. H. Arsenault	"
	Hon. Peter McNutt	"
Bedeque	Hon. S. E. Reid	"
	Hon. Joseph Read	"
Summerside	John M. Clark	"
	George Godkin	"
Queen's County—		
New London	Hon. G. W. Simpson	"
	Matthew Smith	"
West River	Dr. A. E. Douglas	"
	James McMillan	"
Fort Augustus	Leonard Wood	Cons.
	Hon. J. H. Cummiskey	Lib.
Belfast	D. P. Irving	"
	F. L. Haszard	"
Charlottetown	Dr. James Warburton	"
	Hon. George E. Hughes	"
King's County—		
East Point	A. L. Fraser	Cons.
	John Kickham	"
St. Peter's		
	J. D. McInnis	Lib.
Cardigan	W. A. O. Morson, K.C.	Cons.
	P. T. Bowlen	Lib.
Murray Harbour	A. P. Prowse	Cons.
	N. McKinnon	"
Georgetown	A. J. McDonald	"
	John A. Mathieson	"

* NOTE—At a bye-election some months later Mr. Peters was elected by acclamation.

Political Affairs in Manitoba

The only change in the Manitoba Government during 1904 was the appointment of a successor to the late Hon. Mr. Davidson, Provincial Treasurer. On Mar. 2nd Mr. John Hume Agnew, member for Virden since 1903 and an exceptionally good speaker, was sworn in to the position and re-elected by acclamation on Mar. 12th. Amongst others prominently suggested for the post were Mr. Hugh Armstrong of Portage La Prairie, Dr. S. W. McInnis of Brandon and Mr. J. H. Howden of Neepawa. The 1st Session of the 11th Legislature of the Province was opened on Jan. 7th by Lieut.-Governor Sir D. H. McMillan with a Speech from the Throne which referred to the continued expansion and prosperity of Manitoba; congratulated the people upon the success of the Government's railway policy and the recent saving of a million dollars by reduction of rates; expressed approval of Mr. Chamberlain's policy and promised a Government motion upon the subject; and indicated the amendment of several important Acts. The Hon. James Johnson was elected Speaker of the House without Opposition and the Address was moved by Messrs. J. H. Agnew and J. H. Howden on Jan. 11th. The former's speech was characterized by considerable eloquence and was notable for its expression of a robust Imperialism.

On the following day the Hon. C. J. Mickle, acting as Opposition Leader in Mr. Greenway's absence, criticized the new Franchise Act in some of its details while praising it for having produced in the recent Provincial elections the fullest and cleanest voters' list they had ever had. He deprecated a condition of affairs, however, where the popular vote in the 1903 general elections* showed only 26,929 for the Government out of 51,293 and yet gave them 31 supporters in the House to 9 Liberals. Proportionately it should have been 21 to 17. Mr. Premier Roblin in his reply pointed out that the Independents polled 2,563 votes and the Liberals 23,740 leaving a Government majority of 3,189. He dealt at length with the Government's railway policy and the Chamberlain movement, expressed regret that the Dominion Government had not helped the latter and referred with pride to the continuance of Provincial surpluses and the construction of the Agricultural College. On Jan. 14th the Address passed without division after a speech from the Hon. Thomas Greenway in which he charged the Government with corrupt influences in the recent elections and, especially, with promising railways and branch lines all over the Province which, he alleged, they had no intention of ever carrying out beyond the grant of useless charters. He did not agree with Mr. Mickle as to the Franchise Act which he described as un-British and unfair and he denounced the Prohibitionists for not knowing and supporting their real friends—either in Manitoba or Ontario.

* NOTE—See *Canadian Annual Review* for 1903, pages

An interesting point came up on Jan. 21st, when Mr. J. T. Gordon asked the House to authorize the borrowing of certain moneys by the City of Winnipeg without a vote of the ratepayers, and the Premier clearly indicated the danger of granting such a request and the importance of the principle involved. He referred to the many deputations to Government in days gone by asking relief for practically bankrupt municipalities which had run ahead of their resources and created a bonded indebtedness too great to be borne. On the following day the Hon. Mr. Rogers, Minister of Public Works, presented an elaborate defence of his policy in the Boyne Marsh matter and described the alleged frauds carried out under the Greenway Government. He stated that when he took over the affairs of the Department there was not a single plan or profile to be found for work for which Mr. J. A. Macdonell had been paid $17,000. The latter had refused to give information without further payment and yet, according to the Minister, his blunders as to route, etc., were now costing the Province $90,000 to correct.

In this general connection a measure was introduced and passed granting the Government power to raise $140,000 in order to complete these drainage works and along, it was claimed, the lines commenced by the previous Administration and now necessarily followed. It was vigorously denounced by the Winnipeg *Free Press,* in particular, for giving the Government undue powers in the levying of assessments, in the exemption of certain lands from taxation, and in the right to release one set of property owners from liability while imposing it upon others. On Jan. 26th Mr. Greenway attacked the Government for an alleged lavish expenditure which, he declared, was bringing the Province to the verge of direct taxation of the most serious kind. He instanced the increases in various Departments since he left office in 1899, totalling $130,000, and deprecated the fact that the school grants were now only 12·9 per cent. of the revenue as against 16·4 per cent. in 1899—although increased in total amount. An important piece of legislation was dealt with on the same day in an amendment to the Liquor Act which abolished saloons and wholesale licenses in rural municipalities. In his speech upon the subject the Hon. C. H. Campbell, Attorney-General, declared the Government's general policy to be a good license law properly enforced, the eventual abolition of all saloon licenses, stringent legislation dealing with interdicts, and improvement in the standard of hotels. "It is better to have a lawful traffic properly controlled than an unlawful traffic uncontrolled."

On Feb. 2nd the Hon. Mr. Campbell spoke to the 2nd reading of what he described as the most important legislation of the Session—an Education Bill which it was expected by the Government would provide for better teachers, reduction in cost per capita, the better classification and larger attendance of children, and better school

buildings. All this was to result from the permissive consolidation of rural schools. An incident of this day's business was the attack of Mr. Horace Chevrier upon the Government and its members through a series of insinuations as to their benefiting by the sale of public lands to friends. No direct or detailed charge was made and the Premier in an aggressive reply characterized the speaker as a "political coward" without knowledge, or experience, or qualities which would commend his vague assertions to the indulgence of the House. His statements were "absolutely unwarranted and totally unfounded." The administration of these public lands had been in the hands of the Provincial Treasurer, the late Mr. Davidson, whose honour and probity both sides of the House had recognized. Mr. Chevrier promptly admitted ignorance of this fact and the incident closed.

An important Government measure was given its 2nd reading on Feb. 4th. It provided for amendments to the Election Act giving a yearly revision of the voters' lists and retaining the principle of personal registration but not requiring its repetition by *bona-fide* residents of the Province. Control of the lists was left in the hands of the Judges. The education test affecting the Galicians was repealed and the Hon. Mr. Campbell, in his speech, congratulated these people upon their progress and upon the 50 or 60 schools which they now had in the Province.

A Resolution was carried by the Government in support of Mr. Chamberlain's policy and the Legislature prorogued on Feb. 8th after passing various measures not mentioned in this consideration of the Session. Amongst the more important was an amendment to Winnipeg's charter confirming the Subway agreement between the Canadian Pacific Railway and the City; the establishment of a Southern Judicial District with head-quarters at Morden; and a private bill of the Hon. Mr. Mickle permitting municipalities to loan money on security to individuals, or companies, for the building of grist-mills.

One of the incidents of the Session was the last vote and speech of the Hon. Mr. Greenway, who after 25 years' membership of the Legislature and a twelve years' term in the Premiership of the Province, was retiring to be the Liberal (and successful) Federal candidate for Lisgar in the coming Federal elections. His address on the Chamberlain motion (Feb. 3rd) was his farewell utterance. Another incident was the bringing down of returns, on Jan. 23rd, by the Premier giving the correspondence between himself, as Railway Commissioner of the Province, and the Canadian Pacific Railway, leading up to and settling the question of lower rates. Under date of Oct. 5th, 1903, Mr. W. R. MacInnes, Freight Traffic Manager of the Railway, intimated the final arrangement in a letter to Mr. Roblin:

In conformity with views mutually expressed at our recent interviews in Winnipeg as to the desirability of adopting uniformity in grain

rates over two routes from points in Manitoba to Lake Superior. . . . To that end this Company will make a ten cent rate on wheat and flour from Winnipeg and points East on its main line to Fort William, and will reduce its rates from points West of Winnipeg in Manitoba three cents per 100 pounds from last year's rates, on the condition that the Canadian Northern Railway make a reduction of ten cents per 100 pounds from their last year's tariff on wheat and flour from points West of Winnipeg. This Company's rates on other coarse grains will be on the basis of a reduction of two cents per 100 pounds from its present tariff.

Other political events of the year were not numerous. On Apr. 20th the Attorney-General received a cablegram stating that the Judicial Committee of the Privy Council had consented to hear the Manitoba Government's appeal from the Supreme Court decision in the Swamp Lands case. There had been a settlement with the Dominion authorities as to these lands in 1885 and under its terms the Province held the lands while the Dominion claimed the right to collect revenues as long as they pleased and hand them over, denuded of timber, when it suited them. The Hon. Mr. Campbell in an interview on Apr. 21st stated that Manitoba had borne all the costs of administration since 1885 and contended that the Province had, in equity, owned the lands since that date and was therefore entitled to the revenues past and present. The Rt. Hon. R. B. Haldane, K.C., M.P., and Mr. R. O. B. Lane, jr., would, he added, be retained to plead the Provincial case. In August, however, the decision given was adverse to the Provincial contention and the Dominion authorities were declared not liable for moneys received between the date of the Statute authorizing the transfer of the Swamp Lands and the time when the character of the lands was demonstrated.

On May 17th the Attorney-General told the *Telegram* that it was his intention to recommend the adoption of a high license system for the Province including an increase to $1,000 for hotel licenses in all cities and towns of 5,000 inhabitants or over. The Government's recent measure would abolish rural saloons and drinking dens. The present scale for hotel licenses in Winnipeg, Brandon, etc., was, he added, only $315. The Legislature met in Session again on Dec. 6th but its record in this connection belongs properly to the succeeding year. It may be said, however, that Mr. Charles Julius Mickle took Mr. Greenway's place as Leader of the Opposition though Mr. Isaac Campbell, K.C., of Winnipeg was urged by some outsiders for the position. Mr. Mickle had been in the Legislature since 1888 and was Provincial Secretary in 1896-9.

Territorial Politics and the Autonomy Question

On Apr. 2nd the appointment was gazetted at Ottawa of Mr. Amedée Emmanuel Forget to a second term as Lieut.-Governor of the North-West Territories. On Sept. 22nd the Legislature was opened by His Honour with Their Excellencies the Earl and Countess of Minto as interested guests and spectators of the ceremony. The Speech from the Throne referred to the

continued prosperity of the people, the bountiful harvest of the year and the higher prices for grain; paid a tribute to the administration of Dominion affairs by Lord Minto in connection with his farewell tour of the West; mentioned "the liberal response on the part of the Government and Parliament of Canada to the financial representations" of his Government; regretted that the advocacy of Provincial autonomy had not made greater headway at Ottawa during the year; and intimated that no legislation would be introduced at the present Session dealing with large public questions.

The Address in reply was moved by Mr. H. A. Greeley (Cons.) and seconded by Mr. A. D. McIntyre (Lib.) and adopted on the 28th without division. In the course of his speech on this occasion Mr. D. H. McDonald, the Opposition Leader, twitted the Government for not proceeding with necessary legislation such as the creation of a new and enlarged municipal system; urged that a Live Stock census be taken every year or two; criticized the Land Tax and asked for the creation of school districts amongst foreign communities; and declared the Opposition to be in favour of Autonomy and of two Provinces. Mr. Premier Haultain, in reply, said that the Land Tax had been approved last year by the Legislature with practical unanimity and that the only alternative was the imposition of a cattle tax; favoured extension of educational facilities but asked where the money was to come from for the creation of 200 new schools in the foreign communities besides those asked for voluntarily; announced the intention of appointing a Committee to inquire into Municipal conditions and institutions; and regretted the discordant note introduced by raising the question of one or two Provinces.

During the Session (closed on Oct. 8th) the vital question of Autonomy came up through the presentation to the House of correspondence with the Dominion authorities. On May 19th Mr. F. W. G. Haultain had written Sir Wilfrid Laurier drawing the renewed attention of the Government at Ottawa to the Territorial Memorandum of May, 1900, and the Draft Bill prepared by himself and submitted on Dec. 7th, 1901, by request of the Federal Premier. He reviewed other correspondence which had passed between them; pointed out the importance of taking action in a matter upon which the members of his Legislature—half Liberals and half Conservatives—were absolutely united and representative of the wishes of the people; referred to Resolutions then being passed at party Conventions throughout the Territories as corroborative of his views and indicative of the fact that some of Sir Wilfrid's supporters from the West were not giving him advice in harmony with the feelings of their constituents; and asked that negotiations be resumed and legislation introduced into the Dominion Parliament at the earliest possible date for "organizing upon a Provincial basis that portion of the North-West Territories lying between the western boundary of

Manitoba and the eastern slope of the Rocky Mountains and extending northward from the international boundary and the northern boundary of Manitoba as far into the District of Athabasca as may be decided upon." He further requested that, whatever else it included, this legislation should contain provision for:

(1) The application of the British North America Act as far as possible to the area dealt with;
(2) Adequate representation in both Houses of Parliament, bearing in mind the difference in the ratio of increase in the population of the Territories from that of the longer-settled parts of the Dominion;
(3) Government, Legislature, and the administration of Justice;
(4) The preservation of vested rights;
(5) The transfer of the public domain with all Territorial rights and the beneficial interest therein involved;
(6) A subsidy based as nearly as may be upon those given to the Provinces;
(7) Remuneration for that part of the public domain alienated by the Dominion for purely Federal purposes; and
(8) The placing of the burden of the Canadian Pacific exemption upon the Dominion, where it properly belongs.

All these matters, he added, had been "repeatedly brought to the notice of your Government" and he hoped they would now receive some consideration. In a supplementary note Mr. Haultain drew attention to the fact of the population of the Territories being now about 450,000 and claimed that on the existing basis of Provincial representation they were entitled to 18 members instead of the 10 given them in the Redistribution Act. Apparently no answer was made to this communication or to another one dated June 1st. Three months later, however, and on the verge of the general elections, Sir Wilfrid Laurier wrote to Mr. Haultain (Sept. 3rd). He defended the allotment of representatives under the recent Redistribution as being liberal in its basis of assumed population and a larger number than would have been given had the Territories been Provinces and subject to the decennial re-arrangement only. As to the delay in granting Autonomy he was quite assured of its wisdom not only because of the rapid current development and changing conditions in the West, but because of the fuller and more comprehensive information now available. As to the future, Parliament had just been dissolved, and action thereafter would be better justified:

The new House of Commons will contain not four but ten representatives of the North-West Territories who, coming fresh from the people, will be entitled to speak with confidence as to the views and requirements of those whom they represent. Should my Government be sustained we will be prepared immediately after the Election to enter upon negotiations for the purpose of arriving at a settlement of the various questions involved in the granting of Provincial Autonomy, with a view to dealing with the question at the next Session of Parliament.

Prior to, and between these dates, there had been the usual discussion of the subject throughout the Territories with an occasional reference in the East to the possibilities of national

controversy which lay within its depths. Speaking to the Winnipeg *Telegram,* on Jan. 8th, Mr. Thomas Tweed, President of the Territorial Conservative Association, declared the people to be overwhelmingly in favour of Autonomy and referred to the support given that policy by 17 Liberal members in the Legislature, while its immediate grant was opposed by Liberal members from the West in the House of Commons. The Calgary *Herald,* on Mar. 21st, handled the situation from the Conservative standpoint, without gloves, after pointing out that the Federal authorities had cleared, over all expenses, at least $1,000,000 revenue from the public lands of the Territories and had refused Premier Haultain $250,000 when asked, for imperative purposes, except as a loan. "The conduct of the Administration at Ottawa," it proceeded, "is quite sufficient to raise another rebellion in the North-West Territories." An outside view of existing institutions in these regions was given by the Montreal *Star* of Apr. 8th as follows:

> The people of the Territories are deprived of the control of their public lands, of their minerals, of their timber. They have no power to raise money on their own credit. They have no fixed subsidy, and are dependent on annual doles from the Dominion Government, small and uncertain in amount. They have no power to incorporate railway, steamboat, canal, transportation and telegraph companies. They have no power to amend their constitution, as the other Provinces have. They have no power to establish hospitals, asylums, charities, and those other eleemosynary institutions which the British North America Act assigns to the Provinces. They are not allowed to administer the criminal law, which is a right possessed by all the Provinces of the Dominion.

Speaking to the Calgary *Herald* on Mar. 17th Mr. Richard Secord, who had recently retired from the Legislature to run in Edmonton against Mr. Frank Oliver, quoted the local Premier's figures as indicating a revenue running from $1,400,000 to $3,000,000 under Provincial status as against the present $750,000 a year. Besides the inadequate sums allowed the Territories up to this time (according to Mr. Haultain's contention) it was claimed that a heavy debt of $4,925,187 was being charged up against them at Ottawa; while, on the other hand, tables were given showing the steady increase during recent years in the Dominion grants. Meanwhile the Territorial Premier was in the East pressing his claims for Autonomy upon the Dominion Government. He was accompanied by his colleague, Mr. G. H. V. Bulyea, and by Mr. J. J. Young, M.L.A. To the Toronto *Star* of Apr. 13th Mr. Haultain said: "At present we are simply urging the necessity, in our progress, for self-government similar in scope to that of the older Provinces. Do the people of the East realize that at present the North-West Territories are the fourth in population of the Provinces of the Dominion? We have given no reason to suppose that we are incapable of self-government, and the advantages to our people and our progress have been embodied in the petitions

which the Government have already considered and which we wish to be again considered." This visit to Ottawa was not very fruitful of results if judged by the above-quoted correspondence and succeeding period of inaction. In financial matters the Territorial Premier did, however, gain materially and his allowances for the year appear to have eventually totalled over a million dollars.

In another direction important developments were indicated. For some time the Toronto *News* had hinted at a serious reason for the delay in granting Autonomy and on May 4th a subject which the rest of the press either skimmed over or touched not at all was very plainly referred to: "The principal reason for the slowness to give Autonomy to the West is that the Ottawa Government dare not give it. The Hierarchy of the Roman Catholic Church has served notice that when the Bill to make a new Province or Provinces is drafted, it must contain a provision establishing Separate Schools. Should that be done, Separate Schools would be a permanent portion of the Western system." *Le Journal* (Cons.) declared that this was a mere expression of fanaticism and, on May 26th, the *News* returned to the charge: "The guiding spirits of the Roman Catholic Church in Canada are insisting on Federal interference to fasten Separate Schools upon the North-West, are conducting a subterranean agitation against the Manitoba Public School system, and are seeking to upset the terms by which Separate Schools are assured in Ontario." On Oct. 7th the same paper had a letter from its Montreal correspondent which, whether accurate or not, is interesting in view of the after events of 1905. It was stated by this writer that terms of agreement had been come to between Sir Wilfrid Laurier and the ecclesiastical authorities in Quebec as to the future of Separate Schools in the Territories but that nothing would be done or said in the matter until the Elections were over. Upon this point of delay and inaction Mr. R. B. Bennett, M.L.A., of Calgary, said to the St. John *Star* of Dec. 24th:

> The opinion prevails that the neglect of the Federal Government to deal with the repeated demands of the Legislature for Autonomy has been owing to the difficulties that surround the solution of the educational problem. Whether Separate Schools shall exist by law, or whether they shall be prohibited, is the first question calling for decision, and shall the new Province or Provinces be given full power to deal with the matter without any limitations whatever? At the present time Separate Schools exist, but the teachers must possess the same qualifications as those in the public schools. The same text-books are used, and a system of uniform inspection prevails.

As to the division of the Territories under Autonomy opinion in the local press varied considerably. The Moosomin *World* argued strongly against Manitoban extension westward though not objecting seriously to a northern addition to the Prairie Province; the Lethbridge *News* wanted only one Province and opposed any multiplicity of governments to satisfy selfish indi-

vidual ambitions; the Edmonton *Bulletin* and the majority of the papers in the Western part of the Territories desired two Provinces with separate capitals and the boundary running north and south; the Prince Albert *Advocate*, however, favoured three Provinces—Assiniboia and part of Western Alberta; Northern Alberta and the Peace River country; Saskatchewan and Eastern Athabasca. This idea was based upon the transportation systems. Other papers wanted the division made in harmony with natural productions as one was a cereal-producing region and the other an irrigable and ranching country. The press supporting Mr. Haultain as a rule favoured one Province, while in the East the *Globe* (Nov. 9th) supported the extension of Manitoba's boundaries and the creation of two Provinces.

The Proposed Extension of Manitoba's Boundaries

The evolution of the Territories toward a Provincial status revived, in 1904, the agitation in Manitoba for an extension of the boundaries of that comparatively small Province. In 1902 Resolutions had been passed by its Legislature asking extension to the north and west and these had been replied to by the Territorial Legislature with a protest against any westward extension.* Occasional references to the subject in political speeches followed and, on Nov. 22nd, 1904, Mr. Sanford Evans in addressing a Conservative Club in Winnipeg made a spirited claim for the inclusion of this Provincial expansion policy in any arrangement for North-West Autonomy which might be made at Ottawa. Following this the *Telegram* conducted a vigorous campaign in favour of this policy and of a Manitoban port on Hudson's Bay. Geographically and economically, it was claimed, Manitoba had a right to this extension as for the same reasons she should have had the Ontario region now including Port Arthur and Fort William. The *Globe* of Toronto and *La Presse* of Montreal were amongst the outside journals which intimated that there was a good deal to be said for the enlargement of Manitoba. On Dec. 2nd, at a banquet to Dr. Roche, M.P., at Miniota, Mr. Premier Roblin made an important declaration in this connection. He explained his efforts of a couple of years before to obtain an agreement with the Territorial Government along the lines of westward extension, his addresses upon the subject and the misunderstanding which had followed and had caused him to drop the proposal. He then continued as follows:

> There is, however, a matter which I wish to refer to in this connection and that is that when the Territories are being organized into a Province and the boundaries defined, it is a fit and proper time for Manitoba to have such a re-arranging of her boundaries in a direction that cannot interfere with the people of the West and which is of great importance to us as a Province—namely, the extension of our boundaries northward to the tide waters of Hudson's Bay. There can be no dispute. Our good friends cannot misunderstand us if we ask, when this matter is

* NOTE—See *Canadian Annual Review* for 1902, pages 69, 70.

being settled by Parliament, for an extension of Township 44 to the tide waters of Hudson's Bay, giving us an outlet to the seaboard and thus allowing us to go to the markets of the world from a port within our own boundaries. That is a matter which I think should engage the attention of the people of Manitoba at this particular time, for we should not lose the opportunity that will be presented to us at the coming Session to press our views upon the Parliament of Canada to have this re-arrangement made.

Political Affairs in British Columbia

While the words of the Hebrew historian—"the land had rest"—cannot be absolutely applied to the Pacific Province in 1904, with its long preceding record of political turmoil, yet the year certainly showed an improvement in conditions as well as in the hopefulness of its people. There were few Government changes or bye-elections and the Dominion contest did not stir the waters of personal altercation very profoundly. On May 18th the Hon. Frederick J. Fulton, B.A., K.C., M.L.A. (since 1900), President of the Council, was sworn in as Provincial Secretary. As this was a salaried position a bye-election followed in Kamloops and, on June 20th, Mr. Fulton was re-elected by acclamation. The Liberals claimed that this contest was brought on at a time when their intended candidate could not get back from Victoria to take part in it and that the arrangement under which they withdrew the protest in this case, in return for a promise to open the constituency, was practically broken. This was denied by the Premier. On June 6th the Hon. F. Carter-Cotton, M.L.A., a Provincial Treasurer of other days, was sworn in as President of the Council. Another bye-election followed in Lillooet in the middle of August and Mr. Archibald McDonald, the lately unseated Conservative member, was returned with a majority of 83.

Early in January Hon. Charles Wilson and the Hon. R. F. Green, who had been in Ottawa in July, 1903, seeking "better terms"—accompanied by Mr. R. E. Gosnell—presented their Report to the Legislature. They stated that they had met the Premier and Hon. Messrs. Fielding, Prefontaine, Fisher and Templeman in conference and had presented claims looking to a "re-adjustment of financial relations between the Province of British Columbia and the Dominion of Canada; a subsidy from the Dominion Government in aid of the Bridge at New Westminster; the right of the Province to share in the fishery revenues paid to the Dominion and the settlement of the control question as between the two Governments; the participation of the Province in the revenues arising out of the Chinese Restriction Act; the re-adjustment of the Indian Reserves generally in the Province; the obtaining of legislation to enable British Columbia securities to be included in the scope of the Colonial Securities Act; the checking of the immigration of Japanese into British Columbia." Since Confederation the Province had, Mr. Wilson pointed out, paid $45,000,000 into the Federal treasury and only received

back $30,000,000 while natural conditions made local development much more difficult than in the other Provinces. They asked for an impartial Commission to go into the whole matter of financial conditions. The documents made public did not indicate any marked Federal desire to meet the demands of the Delegates.

Meanwhile the Legislature had met on Nov. 26th, 1903,* and after passing some necessary but drastic taxation measures had adjourned on Dec. 12th. The House met again on Jan. 11th. The vital question of the year was still the financial one, although conditions were steadily improving. In his Budget speech on Jan. 19th the Hon. R. G. Tatlow, after saying that they would meet the new fiscal year with a small credit balance drew attention to the great dormant resources of the Province and to the fact that the Debt was small in comparison with their actual wealth and despite the probable earning-power being limited to 100,000 people. In the past year they had, as a people, produced $19,200,000 worth of minerals, $2,000,000 worth of timber, $2,367,000 worth of salmon, $2,295,000 worth of other fish, $3,275,000 worth of agricultural products and fruit—a total of over $29,000,000 for a population of under 180,000. This phenomenal showing seemed to indicate that, with judicious and economical management of affairs, confidence would steadily grow abroad and eventually bring to their aid the capital so urgently needed for development. During the debate which followed many demands were made upon the Government. Mr. L. W. Shatford (Jan. 25th) urged the construction of the Coast-Kootenay Railway:

> Similkameen was, perhaps, the richest mineral area of British Columbia. It was a great fruit-growing country; tons of peaches had to rot at Keremeos last Summer owing to lack of transportation. With a railway all that fine land would become enormously profitable, which was at present given up to roving bands of range cattle. The mining resources of the Similkameen country had attracted the attention of mining men all over America. The immense placer and copper and gold leads were well known, but without railroads very little could be done. When capitalists would invest millions of dollars in that country it proved to him that the country had the resources and that it only required transportation facilities to enable it to take its place amongst the great producing sections of British Columbia.

Mr. J. N. Evans wanted more and better roads in the Cowichan district and Mr. Wm. Davidson hoped that a bridge would be erected over the Slocan River, while at the same time, denouncing the whole system of distributing money for public works as appropriations to particular districts. Mr. J. A. Macdonald, the Opposition Leader, declared the Province to be going behind half-a-million a year; deprecated the amount and method of recent taxation and described it in detail as ruinous to wholesale houses,

* NOTE—See *Canadian Annual Review* for 1903, pages 225, 226.

almost confiscatory in the case of wild lands and a serious blow to the lumber industry; and urged a mining-tax measure which would levy the tax on the net proceeds of the mine less the cost for transportation. After Mr. Parker Williams had denied that the Socialist members were keeping the Government in power—"although between the Government and the Opposition he much preferred the former"—and had pointed out that the House included 22 Conservatives, 17 Liberals, 1 Labour and 2 Socialist members, the Premier spoke at some length.

Mr. McBride referred with pride to the Socialist support of his measures. He praised the Finance Minister and his policy; declared that at a period threatening bankruptcy, his Government had assumed full responsibility with the Assessment Act as the product of their best endeavours; and announced a Committee of Inquiry into the entire question of taxation. As to railways the whole matter of measures and votes in the House had since 1899 been a farce. "Millions had been voted for railways but not a mile had been built." He had listened to hundreds of delegations and sixteen railway schemes were now before him. As to appropriations and complaints from the constituencies he pointed to his own—one of the largest in the Province—with only $1,500 granted. He deprecated the nature of the Opposition attack as unfair and injurious to the Province. A Resolution of regret that the Government had not amended the law in respect to taxation of mines, moved by the Opposition Leader, was then rejected by 19 to 14 votes. On Feb. 9th, after much speculation as to the Government's policy toward various railway schemes and several postponements of decision, the Premier stated that the matter had been earnestly considered and that they had decided to introduce no railway legislation during this Session.

Many schemes were now before them and he singled out the Coast-Kootenay proposal as especially worthy of support. Other lines, having promises of Dominion subsidies, such as the Northport and Kettle River, the Nicola Valley, Midway and Vernon, and the Comox and Cape Scott, would be given first consideration by his Government. Unless measures presented meant the actual construction of railways he would have nothing to do with them. A special Session might be held later in the year to consider this whole question of railway aid and development. This proposal, it may be added here, was not carried out. The Legislature was prorogued on Feb. 11th by the Lieut.-Governor, who congratulated the members upon the growing activity of the timber and mineral industries and the steady improvement in agricultural methods and production. The principal measures passed during the Session were the amending of the Coal Mines Regulation Act, intended to exclude Chinese from working in underground mines, and an Act to regulate Immigration into the Province; an Act for the Prevention of Frauds and Perjuries and one for the proper management of Prisons and the Police Force; an Act

respecting the constitution, practice and procedure of the Supreme Court of the Province; and one dealing with the qualification and registration of Electors and the trial of controverted Elections.

A Select Committee was appointed during the Session, composed of Messrs. W. J. Bowser, George A. Fraser, W. Davidson, R. L. Drury and Stuart Henderson, to inquire into the working of the Immigration Act of 1903; and another composed of Messrs. C. W. D. Clifford, W. W. B. McInnes, W. R. Ross, C. W. Munro and H. S. Young was appointed to investigate the conduct of the architects employed in the construction of the Government House, Victoria. Resolutions were passed, unanimously, in favour of "early consideration by the Government" of the means whereby a University might be established within the Province; protesting against United States vessels being allowed the privilege of halibut fishing in Provincial waters and of using British Columbia harbours to the detriment of Canadian vessels, crews and fishermen, and asking action at the hands of the Dominion Government; expressing a sense of the "great injustice" under which Provincial lumber interests were suffering and praying that a duty be placed by the Dominion authorities upon United States lumber entering Canada equal, at least, to that imposed upon Canadian lumber entering the United States. The Government majorities ranged everywhere from six to one, though in a full House they could depend upon two, and probably six, in any question of confidence. During the ensuing Summer—June and July—Mr. Premier McBride and the Hon. R. F. Green made a tour of the Interior districts of the Province and visited Rossland, Nelson, Grand Forks, Greenwood, Phoenix, Fernie, Cranbrook, Kaslo, Quesnel, Revelstoke and many minor places. To the *Colonist* of July 14th Mr. Green reviewed the trip and concluded as follows:

> The country generally was never in its history in such a prosperous condition as it is to-day. It is true that the depression in the Slocan is not altogether wiped out. Still, the feeling generally throughout the country, even in Slocan, is much better than for some time past. Mining men generally throughout the Slocan feel that if they can only get the necessary rates and treatment for ores carrying zinc, it will be a matter of only a short time until the mines are being extensively worked again, and at a profit. Speaking politically, we were well received at every point visited. There seems to be a general feeling throughout the Province that the time of turmoil in political life in British Columbia has passed away, and that we are now going to have an era of stable Government. The people, I believe, feel that in establishing party government they did a good thing for the welfare of the Province.

Early in the year it was announced at Ottawa that the British Columbia legislation of 1903 nullifying the famous grant of lands in South-East Kootenay (Blocks 4593-4) to the Canadian Pacific Railway would not be disallowed and discussion as to the disposal of these lands became rife. They were said to be exceedingly rich in coal and oil and one estimate placed their value at $50,-

000,000. Many inquiries were made of the Government and probably pressure of various kinds brought to bear upon them to dispose of these lands in one way or another. Writing to Mr. G. A. Fraser, M.L.A., in December, 1903, the Premier had stated that after May 1st following, when the disallowance period had passed, their policy would be as follows: "We propose to deal with the lands in question as though the same had always been vacant Crown Lands, and will then recognize all valid legal locations according to their priority, including those now in existence. We will not, however, assume the responsibility of deciding conflicting claims." Nothing was done in the way of legislation during the Session but in the middle of June the *Gazette* announced an Order-in-Council granting licenses for one year on payment of a $100 fee under the following conditions:

> Owing to the number of applicants for licenses to prospect for coal and petroleum and the peculiar circumstances surrounding the application for an issuance of these licenses, and the well-known fact that the issuance has been unavoidably suspended for so many months, the Government of British Columbia find it impossible to determine the equitable rights of the numerous applicants. Therefore, for the purpose of enabling all persons to go before the proper tribunal for the determination of their respective rights and priorities, this license is issued and accepted subject to such prior rights of other persons as may exist by law, and the date of the license is not to be taken or held as in any sense determining such priority; and further, it shall not be taken or held to waive inquiry by the Courts with the proper performance of all conditions precedent as between adverse claimants; and further, on the understanding that the Government shall not be held responsible for or in connection with any conflict that may arise with other claimants of the same ground, and that under no circumstances will license fees be refunded.
>
> And the holder hereby waives any claim or demand against the Government and expressly agrees not to take any steps or proceedings or present any petition to enforce any alleged claim or demand against the Government of the Province of British Columbia arising out of the issuance of this license, or of any other matter or thing appertaining thereto. The land being under reserve from pre-emption or sale, this license does not include any rights other than the rights to prospect for coal and petroleum.

This policy was bitterly attacked by the Liberals as throwing away a valuable heritage and Sir Charles Hibbert Tupper, in the Vancouer *World*, on June 17th, expressed doubt as to its constitutionality. The action taken was in fulfilment of pledges and in face of a difficult situation. A preceding Government and Legislature had left the lands open for prospecting licenses and hundreds of applications were in the hands of the Government and demanding attention while much of the region had been already staked out and registered. Whether the lands would turn out as valuable as some expected; whether this policy would simply lead to litigation and the tying up of the whole region, as others claimed; and whether the probably necessary action of the Government would end well or ill; the future alone could tell.

The usual discussion and action took place during the year

as to the anti-Oriental Immigration Acts of the Legislature. These included the Japanese with the Chinese and this Sir Wilfrid Laurier had announced upon several occasions could not be allowed for reasons of Federal and Imperial policy. But disallowance was generally postponed until almost the last moment and, meanwhile, the legislation was re-enacted at Victoria so that the extraordinary spectacle was presented of Provincial laws being in force year after year against the announced policy and wishes of the Federal Government—a situation which could, presumably, have been met by prompt disallowance instead of by prolonged delay in action.

Another question of much interest during the year was that of using fish-trap nets. On Mar. 19th it was announced from Ottawa that the issue of licenses in this connection would commence at once and be confined strictly to canners. It would not be permitted for speculative purposes and new hatcheries would be built immediately in order to avoid any possible depletion of the fisheries. Public opinion was greatly divided upon the matter —some believing that the system would destroy the salmon fisheries; others that it was absolutely necessary in order to enable Canadian interests to compete with the Americans. In the general matter of Fisheries jurisdiction the Hon. Mr. Fulton and Mr. J. P. Babcock, Provincial Inspector of Fisheries, visited Ottawa early in June but were informed a little later that the Federal authorities intended to maintain their rights and desired to come to an agreement with all the Provinces by which the entire control and management of Coast fisheries would be in their hands. They were willing to expend more in the development than they received. During August the Minister of Marine and Fisheries visited British Columbia and looked into the subject for himself.

An important development of the Dominion general election period was the active agitation for better financial terms from Ottawa. Mainly Conservative in its presentation by, first the Provincial Government and then by Sir C. H. Tupper, Mr. G. H. Cowan, Mr. Phillips-Wolley and others, it was yet supported in the Legislature by the Liberals and in the press by other Liberals such as Mr. Welby-Solomon and Mr. E. V. Bodwell, K.C. Senator Templeman and the active party leaders, however, deprecated the proposals or gave them cold consideration. An able presentment of the subject and of the general position of the Province was made by Mr. G. H. Cowan in a pamphlet published about the time of the Elections. In this elaborate essay he compared the condition of British Columbia in respect to the other Provinces and showed that its expenditure per head on certain important elements of government, in a five-year period, had been $5.18 as compared with less than $1.00 in the other Provinces; that its total expenditure for all services in the same period had been $12.61 per head as against sums ranging from $4.18 to $1.37 elsewhere; that the Provincial Debts assumed by the Dominion had been at the rate of $11.35 per head for British

Columbia and $22.50 for the other Provinces; that its net Debt was now $37.33 per head as compared with $13.25 in Quebec which came next in order of amount; that its physical features, cost of transportation, and undeveloped resources required special consideration from the Federal authorities rather than the discrimination in various directions now alleged to be practised.

Political Affairs in the Yukon

The year was a stormy one for the Yukon in political circles and, around the person and policy of Commissioner F. T. Congdon, there raged a more or less fierce fight during the entire period. It degenerated into a factional struggle in the Liberal party, helped by interested Conservatives and ending in the final rout of Mr. Congdon and his friends in the general elections. When the year opened Dr. Thompson and Mr. J. A. Clarke (Conservatives) had been struggling in the Council to get a Memorial forwarded to Ottawa in favour of a fully elective body in place of the existent half-elective one. By this time the split in the Liberal party had become pronounced. The Dawson *Sun* (Liberal) came out in keen denunciation of the Commissioner's arbitrary actions and the Conservative *News* was, of course, vigorous in its opposition. Meanwhile, Mr. Congdon's friends had started the *World* for the purpose of supporting the Administration. Stormy meetings of Liberals were held all over the Creeks. At Cariboo, on Apr. 2nd, a Resolution was passed in support of the Commissioner; at Dawson on Apr. 8th, and at Grand Forks on the following day, Resolutions were passed denouncing him.

The charges against Mr. Congdon may be summarized from a mass of verbiage and detail in the statement that he aspired to organize the Government officials and employees into a solid body of political workers—a machine with himself as the dictator. Mixed up with this basic element of discontent, as the year went on, were allegations of "graft"; complaints regarding renewals of licenses and granting of concessions; an inevitable measure of indignation over the closing, in July, of some 20 saloons and roadhouse bars; expressions of anger at the interference in local affairs of a Mr. Temple whom it was said the Commissioner had brought from the East to organize his "machine" and his newspaper. The violence of the Opposition to Mr. Congdon is indicated by the following extract from a speech delivered by Mr. J. A. Clarke in the Council on July 28th:

> Are you men, or are you dogs, to lie down like curs at the bidding of this master, Temple! Will you sit supinely by and allow yourselves to be placed in the attitude of sycophantic hypocrites, kissing the hand that slaps you in the face, hurrahing for the crowd of grafters that are doing their best to put this Territory and every man in it out of business?

Then came the struggle over the Dawson civic charter; the plebiscite arranged by the Commissioner and passed through the Council; the voting under conditions which the anti-Congdon Liberals and the Conservatives declared to be outrageous and

scandalous; the loss of the charter and the appeal issued to Canadians outside of the Territory by Mr. W. F. Thompson of the *Sun*. The general elections followed and, on Dec. 16th, Dr. Alfred Thompson, Conservative and Independent candidate, defeated the Commissioner who had, meanwhile, resigned and stood for the Commons,* by a large majority. During the balance of the year Major Z. T. Wood of the Royal North-West Mounted Police acted as Commissioner.

Meanwhile, the well-worn topic of the Treadgold Syndicate had been revived by Mr. Borden's inquiry in Parliament on Apr. 13th as to the Report of the Royal Commission thereon. The Minister of the Interior stated in reply that as a result of Mr. B. T. A. Bell's death Mr. Justice Britton—the other Commissioner—would have to receive special instructions and appointment and that the Commission to him was now being issued. A little later the Syndicate withdrew from its undertaking and in releasing them the Secretary of State (Hon. Mr. Scott) intimated to Mr. Justice Britton that there was no need for proceeding further with his investigation. This gave the Opposition an opportunity which they enjoyed and on July 6th the Premier stated that instructions had since been given for the completion of the Report and its presentation to Parliament. The subject was again discussed in the Senate on July 14th and 27th and in the Commons on the 28th. On Aug. 1st the Report was made public and conclusions drawn or statements made which may be briefly summarized as follows from a lengthy document:

1. That public feeling in the Yukon and amongst the Miners was very strong against any concessions being granted outsiders.
2. That the Treadgold concession might, in itself, have been a good thing for the Yukon if public sentiment had permitted the inauguration of the proposed water supply.
3. That many of the objections were based upon misapprehensions as to the Miners' rights being properly safe-guarded.
4. That much of the evidence offered the Royal Commission was general or superficial and did not amount to specific allegation—to say nothing of proof concerning the allegations made.
5. That a properly equipped water supply was essential to the future welfare of the Yukon.

A word must be said here as to the Mounted Police. Their admirable management and patrolling of this great region had always been beyond cavil and, indeed, the subject of much praise. The cost of the Force in the Yukon was $490,000 during the fiscal year and the number of men 300. They assisted in all the departments of government—customs, excise, agriculture and the quarantine—to an extent which made their Commander protest that too much work was laid upon his men. The net result in 1904 was the suppression of vice and gambling to a degree which made the Territory in general and Dawson, in particular, as law-abiding and orderly as a quiet community in the East.

* NOTE—See pages 217-220 of this volume in connection with the Federal Elections.

Questions at issue between the Provinces and Dominion

Some reference has already been made to various financial and other demands made upon the Dominion authorities by the Provinces during this year. Better general terms were wanted in British Columbia, a division of the Halifax Award in New Brunswick and Prince Edward Island and additional Federal subsidies in Ontario, Quebec and all the other Provinces. New Brunswick and Prince Edward Island objected to the reduction of their representation at Ottawa and Manitoba wanted control of its Swamp Lands; while British Columbia did not like the Federal disallowance of its anti-Oriental Immigration Acts and the Atlantic and Pacific Provinces agreed in desiring a solution of the differences regarding administration of the Sea Fisheries. As to the Halifax Award matter it turned upon the sum of nearly $5,000,000 paid by the United States for the use of the Atlantic Fisheries during a defined period. The Dominion Government had funded this money and paid interest ($160,000) in the form of bounties to the fishermen of the Maritime Provinces. They also spent $150,000 a year in the maintenance of a protective fleet in Provincial waters. New Brunswick and Prince Edward Island now asked that they be given their *pro rata* share of the capital sum—assuming that it should originally have been paid to the Provinces and not the Dominion. An informal conference was held upon this and kindred subjects at Ottawa on June 9th but no definite decision was come to.

In the matter of representation the Provinces got the worst of it. Though Ontario and Nova Scotia were reduced in their representation by the Redistribution Act as well as New Brunswick and Prince Edward Island only the two latter made a struggle in the matter. Their contention was, in the main, that the smaller Provinces would never have entered Confederation if they had expected a future reduction in their representation and Prince Edward Island, in particular, claimed that if carried to its logical conclusion the present process would end in their having no members whatever at Ottawa. The Dominion case stood upon an interpretation of the British North America Act which had already been sustained by the Supreme Court of Canada. Leave was granted for appeal by the Judicial Committee of the Imperial Privy Council and was heard on July 20th with Mr. A. B. Aylesworth, K.C., the Hon. W. Pugsley, K.C., and Hon. Arthur Peters, K.C., acting for the Provinces, and Mr. Edward Blake, K.C., Hon. R. Lemieux, K.C., and Mr. E. L. Newcombe, K.C., for the Dominion. The latter's case was not called and judgment was eventually given on Nov. 4th against the Provincial contention by a Court composed of Lord MacNaghten, Lord Davey, Lord Robertson, Lord Lindley and Sir Arthur Wilson. In an elaborate interview at St. John on Aug. 15th the Hon. Mr. Pugsley hinted at a movement for amending the British North America Act in this connection.

PROVINCIAL APPOINTMENTS AND POLITICAL INCIDENTS

Jan. 19.—At a special meeting of the Vancouver Board of Trade the following Resolution is passed regarding the British Columbia Assessment Act:

"Resolved that this Board considers that the provisions adopted or confirmed in the present Assessment Act will tend to hamper trade; that this Board would urge upon the Government to appoint a Commission, not of an official or political character, to report upon the present Assessment Act, and to make such recommendations as may seem advisable; that in case it be found by the Commission that the taxes levied under the existing Act are unfair as applicable to any particular business, individual, or firm, the surcharge so levied shall be at once remitted."

Jan. 23.—The announced appointment of Mr. George C. Creelman as Principal of the Ontario Agricultural College is received with many expressions of public approval.

Jan. 25.—Mr. Robert Jaffray is announced as the new member of the Temiskaming and Northern Ontario Railway Commission. The appointment is made by the Ontario Government in place of Mr. A. E. Ames, resigned.

Jan. 28.—The retirement is announced of Mr. H. H. Dewart, K.C., County Crown Attorney for York. He is succeeded by Mr. H. L. Drayton.

Jan. 29.—An Order-in-Council of the Ontario Government appoints Dr. C. A. Hodgetts of Toronto as Secretary of the Provincial Board of Health and Deputy Registrar-General of Ontario in succession to Dr. P. H. Bryce.

Feb. 2.—It is announced that Mr. George A. Putnam, B.S.A., has been appointed Superintendent of Farmers' Institutes in Ontario and Director of the Dairy Schools at Kingston and Strathroy and Mr. H. B. Cowan, Superintendent of Fall Fairs.

Feb. 3.—The Committee of the British Columbia Legislature reports without amendment a measure incorporating the Coast-Yukon Railway Company with Messrs. F. Buscombe, R. Kelly, and G. I. Wilson as incorporators; a capital stock of $1,000,000 and the usual conditions as to surveys, construction, etc.

Feb. 4.—The Nelson, B.C., *Daily News* (Liberal) advocates the leadership of the Provincial Conservative party and the Premiership, in preference to present arrangements, of Sir C. H. Tupper.

Feb. 5.—It is stated that Mr. James Dunsmuir has offered the British Columbia Government an option on the Esquimalt and Nanaimo Railway and its lands for $3,500,000.

Feb. 26.—The Assessment Committee of the Ontario Legislature receives the following statement* as to gross receipts of the Bell Telephone Co. in certain Ontario cities and towns:

	Tolls.	Rentals.		Tolls.	Rentals.
Barrie	$ 3,155	$ 3,590	London	$13,454	$42,278
Belleville	3,419	7,566	Stratford	5,057	7,136
Berlin	3,660	6,964	St. Catharines	5,293	14,597
Brantford	6,794	14,795	St. Thomas	4,147	9,203
Brockville	22,050	8,000	Toronto	68,705	401,421
Hamilton	19,824	58,749	Windsor	5,179	15,919
Kingston	5,550	15,398			

Mar. 2.—A deputation composed of Messrs. Hugh Blain of Toronto, J. W. Garvin and T. Bradburn of Peterborough, D. A. Gordon of Wallaceburg, and C. A. Hagerdon of Berlin wait upon the Ontario Premier and the Hon. Mr. Stratton to ask for an extension of the bounty on beet-root sugar for another two or three years.

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* NOTE—The tolls include the amount collected by pay telephones and long-distance messages; the rentals are procured from subscribers.

Mar. 9.—Mr. J. B. McLeod of Toronto is appointed Solicitor of the Ontario Treasury in place of Mr. Frank Ford, resigned.

Mar. 23.—The appointments are announced in Ontario of Mr. David Lloyd as Registrar of North York and Mr. George McPherson, K.C., of Stratford as County Crown Attorney for Perth.

Mar. 30.—The handsome new Club rooms of the Young Men's Conservative Association of Winnipeg are formally opened amid much ceremony and with speeches by Hon. J. H. Agnew, Hon. Hugh John Macdonald and Mr. Sanford Evans.

Apr. 18.—A largely attended meeting of the citizens of Victoria, B.C., passes a Resolution in favour of the Provincial Government granting $10,000 of 3 per cent. bonds per mile (or $2,500,000) and 5,000 acres per mile to the Cowichan, Alberni and Fort Rupert Railway across the Island.

Apr. 19.—A majority of the Trial judges in the Supreme Court of British Columbia (Chief Justice Hunter and Mr. Justice Irving) declare the Coal Mines Regulation Act to be *ultra-vires* of the Province —Mr. Justice Martin dissenting.

May 6.—Dr. W. T. Connell of Kingston is appointed Assistant Bacteriologist to the Ontario Board of Health.

May 17.—It is announced that Messrs. Walter Lynch of Portage La Prairie and Alexander Morrison of Carman have been appointed representatives of the Manitoba Government on the Board of the new Agricultural College.

May 18.—The appointment is announced of Mr. S. F. Washington, K.C., of Hamilton, as County Crown Attorney of Wentworth.

May 22.—The appointment is announced of Charles Wesley Coulter as Judge of the County Court of Elgin.

May 25.—Mr. J. P. Cooke, K.C., is advised by the Deputy Attorney-General of Quebec that he has been relieved of his duties as Crown Prosecutor in Montreal pending the trial of the Blackley charges and that Mr. Edouard Guerin, K.C., will take his place.

May 30.—Referring to the Royal Committee on Railway Taxation composed of Mr. H. J. Pettypiece and two others and appointed by the Ross Government in Ontario the Toronto *News* criticizes its creation severely and concludes that: "At the least Judge Bell and Prof. Shortt should have refused to be partners in such a pettifogging and partisan business."

June 7.—Mr. Judson H. Clark, M.A., B.SC., PH.D., is appointed Provincial Forester of Ontario with a view to the establishment of a Department of Forestry.

June 29.—Mr. John Kenneth Macdonald of Regina is gazetted acting Deputy Attorney-General of the Territories.

July 13.—The appointment is announced of Mr. J. B. McKillop as County Crown Attorney for Middlesex.

July 26.—Mr. John Oliver, M.L.A. (Liberal), addresses an open letter to the Hon. R. G. Tatlow, Minister of Finance in British Columbia, appealing to him on behalf of the farmers of the Province for a reasonable construction and application of the Assessment Act to that portion of the community.

Aug. 13.—The appointment is announced of Mr. Roderick McCall, a graduate of the Royal Military College at Kingston, as Provincial Engineer of Nova Scotia in succession to Mr. Martin Murphy, superannuated.

Aug. 17.—The retirement is announced of Mr. Justice M. W. T. Drake, of the Supreme Court of British Columbia, after 15 years of service.

Sept. 7.—From this date to the 10th Dawson City, Y.T., holds an Exhibition of the horticultural, mineral and industrial development and resources of the Yukon.

Sept. 15.—Mr. J. M. McEvoy, K.C., of London drops the suit against Mr. R. R. Gamey, M.L.A., for slander, which he had instituted in the preceding Spring.

Oct. 15.—The Court of Appeal of Ontario dismisses the application made by Mr. E. A. Dunlop, M.L.A., that Rev. J. A. Macdonald, Editor of the *Globe*, be committed for contempt of Court. Chief Justice Moss states that the article complained of approached close to the verge within which the Court might intervene but had been rendered harmless by subsequent events.

Nov. 3.—It is announced in the *Globe* that the Ontario Government will grant $10,000 toward the cost of restoring the Engineering and Physical apparatus of Ottawa University. This arouses sundry protests as to public grants to religious institutions.

Nov. 9.—The appointments are announced in Ontario of Mr. W. H. White as Superintendent of Public Works and of Dr. R. W. Bell as Medical Inspector to the Provincial Board of Health.

Nov. 19.—In West Kent during the Provincial elections, the Chatham *Planet* reports the following statement as emanating from Mr. A. B. McCoig, afterwards the successful Liberal candidate in that constituency. Though denied in part by Mr. McCoig the paper adheres to the exact words used :

"Definitely and positively I will not be a candidate ; I couldn't if I would and I wouldn't if I could. What use would it be to me to go down to the Legislature and sit in some back bench in Opposition ? And what use would it be to my constituents to have me there ? I think the Ross Government is a goner. They've been there altogether too long, and they've got too many heelers and hangers-on. The whole thing is corrupt and rotten and I believe they should be turned out."

Nov. 20.—One of the incidents of the Ontario electoral contest is the reading at the Conservative Convention in Chatham of a telegram from Mr. J. P. Whitney, the Opposition Leader, stating that he would appreciate the presence of their candidate, Mr. James Clancy, ex-M.P., in his Cabinet when formed.

Dec. 8.—At a meeting of the Liberal Executive for Manitoba, Mr. Edward Brown, Mayor of Portage La Prairie, is elected Chairman in succession to Mr. C. A. Young, recently appointed to the Transcontinental Railway Committee.

Dec. 13.—Mr. Samuel Russell, ex-M.L.A., is appointed by the Ontario Government Registrar of Deeds for Hastings and Mr. John Richardson, ex-M.L.A., Clerk of the County of York.

Dec. 14.—Senator Templeman estimates, in a speech at Duncan's, B. C., that an analysis of the general election returns, by which Federal results are applied to Provincial constituencies, would give the Liberals all the seats in the Local Legislature except five.

Dec. 17.—The Toronto *News* contains an able review by Mr. R. S. Neville of existing conditions in party politics as they affect the Judiciary.

Dec. 20.—The appointment is announced of Mr. W. J. Black, B.S.A., Editor of the *Farmers' Advocate*, Winnipeg, to be Deputy Minister of Agriculture for Manitoba.

Dec. 22.—A special Committee composed of Judges Walker and Myers, and appointed on Oct. 24th, report in the matter of Mr. Hugh McKellar, then Deputy Minister of Agriculture in Manitoba, and his relations to Bartlett—who had been guilty of considerable frauds in the Department—that Mr. McKellar was "largely responsible for the malfeasance" of Bartlett, but was not guilty of any corrupt or criminal participation.

Dec. 31.—The Toronto *Globe* publishes a lengthy and much criticized history of a liquor case which is being tried in Napanee and in which it states, under large head lines, that Mr. J. P. Whitney is proved to have had a "hot Scotch" after legal hours, in a local hotel and following a local political meeting.

V.—DOMINION AND PROVINCIAL FINANCES

The Dominion Budget of 1904

Apart from the fiscal changes and conditions which have been considered elsewhere, the Hon. Mr. Fielding's financial statement in the House of Commons on June 7th was most satisfactory. For the fiscal year ending June 30th, 1903, his estimated revenue had been $65,000,000 and the actual revenue $66,037,-068. The estimated expenditure—exclusive of capital account—had been $51,650,000 and the actual amount $51,691,902. The estimated surplus was $13,350,000 and the actual one $14,345,-166. Including capital account expenditures the total for 1902-3 would be $61,746,751. For the year ending June 30th, 1904, he estimated a revenue of $71,000,000, an expenditure—omitting the capital account of $11,500,000—of $54,500,000 and a surplus of $16,500,000. During the years since 1896 Mr. Fielding stated that his surpluses had totalled $58,400,073 as against the single deficit in 1896-7 of $519,981. The total increases in the Public Debt in this same period had been $14,111,296; the decrease $15,196,290. The Debt for the past fiscal year was $264,912,430 and he estimated a reduction of $7,500,000 on that of June 30th, 1904. As made public on Oct. 7th the revised official figures for the two years were as follows:

EXPENDITURE.

	Total, 1903.	Total, 1904.
Customs	$37,001,726	$40,702,610
Excise	12,013,779	12,958,708
Post Office	4,397,832	4,652,324
Public Works, including Railways	7,088,501	6,971,222
Miscellaneous	5,535,228	5,372,211
Total	$66,037,066	$70,657,075
Expenditure on Consolidated Fund Account	$51,691,902	$55,430,072

EXPENDITURE ON CAPITAL ACCOUNT, ETC.

Public Works, Railways and Canals	$ 6,174,958	$ 5,817,773
Dominion Lands	449,542	750,760
Militia, Capital	428,223	1,299,910
Railway Subsidies	1,463,222	2,046,878
Bounty on Iron and Steel	1,408,252	1,130,041
South African Contingent	130,469	6,818
North-West Territories Rebellion	3,040	2,574
Total	$10,057,706	$11,054,754

Meantime the main estimates for the year ending June 30th, 1905—on Consolidated Fund and Capital Account—totalled $62,935,338 with a supplementary sum afterwards presented to Parliament of $11,839,270. Further sums of $397,450 and $681,070 were also brought down. On Aug. 3rd Mr. A. C. Bell introduced the annual Opposition review of the financial situation with a pessimistic picture of growing expenditures, increasing taxation and greater national burdens. He described the total

taxation under Liberal rule in 1897-1903 as $62,120,118 more than that of 1890-96 under Conservative rule; gave the total expenditure on both Consolidated Fund and Capital Account as being $54,181,054 greater in the Liberal period; described taxation per head as increasing from an average of $5.59 in 1892-5 to $9.44 in 1904 and expenditure from $8.41 in 1892-5 to $11.74 in 1904; and moved a Resolution recapitulating these and other figures and concluding as follows:

This House regrets that notwithstanding the pledges of the Liberal party in Opposition to reduce taxation and expenditure, the Government is maintaining a policy of high and steadily increasing taxation and expenditure, and is thus setting an example of wasteful and extravagant management of a character which must work serious injury to the people and interests of Canada.

Mr. Fielding's reply may be summarized as a picture of the difference in Canadian conditions between 1896 and 1904—the growth and development of the country, its greater revenues and resources and increased requirements, the necessity for the Government to keep pace with the people's needs. Mr. R. L. Borden spoke briefly, criticizing the presentation of estimates totalling $12,000,000 or $15,000,000 in the last days of the Session and the Resolution was then voted down by 90 to 48.

The Budget and Finances of Ontario

The finances of Ontario on Dec. 31st, 1902, showed a balance in the banks of $1,415,510 and on Dec. 31st, 1903, of $1,994,679. The total receipts during 1903 were $5,468,150 and the expenditures $4,888,982. The difference between the Assets and Liabilities on Dec. 31st, 1903, showed a surplus of $2,549,164. In his Budget speech on Feb. 9th, 1904, the Hon. G. W. Ross, Premier and Provincial Treasurer, pointed out that the expenditure of $4,888,982 in 1903 was considerably larger than usual—the average of the preceding six years having been $4,131,000. Of this increase the payment of railway certificates instead of the issuing of annuities; the iron and sugar-beet bounties; the $230,000 voted for railways; and the $84,000 granted the University and Mining School; accounted for the greater part. The following table shows the condition of the accounts—eliminating the balances in banks as given above:

RECEIPTS FOR YEAR ENDING DECEMBER 31st, 1903.

Dominion Subsidy and Grant	$1,196,872 80
Dominion Trust Funds and Interest	195,357 76
Crown Lands	2,459,110 86
Liquor Licenses	371,671 27
Provincial Secretary's Department	121,299 86
Supplementary Act—Taxes on Corporations	257,624 40
Succession Duties	386,948 24
Public Institutions	111,744 89
Casual Revenue	104,163 37
Miscellaneous—including Law Stamps, Education, Fisheries and Agriculture	263,357 38
Total Receipts	$5,468,150 83

EXPENDITURES FOR YEAR ENDING DECEMBER 31ST, 1903.

Civil Government	$ 327,137 01
Legislation	239,199 84
Administration of Justice	448,942 97
Education	945,020 49
Public Institutions' Maintenance	922,037 20
Colonization and Immigration	16,863 47
Agriculture	378,846 02
Hospitals and Charities	223,661 97
Public Buildings	348,421 43
Colonization Roads	159,258 44
Public Works	77,813 49
Charges, Crown Lands	258,783 75
Railway Aid Certificates	114,607 32
Annuities	102,900 00
Miscellaneous	325,489 17
Total Expenditure	$4,888,982 57

The Treasurer estimated his receipts for 1904 at $5,384,372 and his expenditure at $4,657,909. He dealt at some length with the projected settlement, by appeal to the Courts, of the last of the disputed accounts pending between the Dominion and the Province; and with Temiskaming Railway finances and the failure to secure a loan in England upon suitable terms to carry on construction. Meantime, they had borrowed the money needed from Toronto banks at 5 per cent. In dealing with the Treasurer's statement, Mr. A. J. Matheson, the financial critic of the Opposition, added to the expenditures of 1903 the $250,000 payment assumed in connection with the Sault industrial collapse and deducted from the revenue, as being distinct from ordinary receipts, the $1,329,203 obtained from the sale of timber limits and the return of capital ($21,000) invested in drainage debentures. He estimated an actual deficit for the year of $621,000 and for the year 1904 of $1,200,000. He thought the Succession duties worked injustice through not being properly graded, as in England, and contended for a general re-organization of affairs in the direction of an explicit and clear system of book-keeping and the practice of greater economy by dispensing with useless officials and unwarranted expenditures.

He vigorously denounced the disposal of pulp-wood lands, without competition, to friends of the Government who used them for speculation and not for working purposes and described the Crown Lands Department as honeycombed with a system of which the Shannon timber-limit case was an illustration. He feared that the financial question now in process of settlement with the Dominion would eventually cost them $1,000,000. In the past four years he declared that the Government had largely increased the expenditures, used up $2,726,000 of timber dues, increased the Railway and Annuity debt by $1,000,000 and guaranteed the cost of the Temiskaming Railway at an additional liability of $6,000,000. As to the surplus he described the assets as including $2,848,000 of a fund created at Ottawa by the Act of 1884

and not convertible into cash. The only realizable assets were the cash balances and direct investments of $2,164,517 which, deducted from the liabilities of $5,834,141 (Railway debt and indebtedness to the Dominion) left an actual deficit or net indebtedness of $3,600,000 between Assets and Liabilities.

In his supplementary statements Mr. Ross gave the total Assets of the Province as $8,383,306—including $6,218,788 of pre-Confederation School funds, etc., held by the Dominion. The Liabilities, including $1,807,986 due the Dominion by the Province and $4,022,810 as the present value of Railway certificates and annuities, were placed at $5,834,141 and the consequent surplus at $2,549,164.

The Budget and Finances of Quebec

The Hon. J. C. McCorkill delivered his first Budget speech as Provincial Treasurer of Quebec on Apr. 19th, 1904, and commenced with a comparison of the deficit of $987,316 encountered by the Government in 1896-7 and the surplus of $103,712 left by his late predecessor in 1901-2. For the past fiscal year the new Treasurer placed his total receipts at $4,746,357 and his total expenditure at $4,702,629—leaving a surplus of $43,728. These sums were exclusive of Railway and Quebec Bridge Subsidies, and of Railway construction amounting to $38,500. The revenue included $226,338 from taxes on corporations, $692,602 from Liquor licenses, $110,379 from Public Institutions, $667,631 from timber dues, $352,004 from the sale of timber licenses, $268,335 from Law and Registration stamps, $327,091 from ground rents, Fisheries and sale of Crown Lands, $153,820 from Succession duties and $1,281,603 from Dominion Subsidies. The expenditures were as follows:

Public Debt	$1,577,583 19	Lunatic Asylums	353,825 00
Legislation	202,432 34	Charities	45,210 75
Civil Government	272,437 61	Lands, Mines and Fisheries	217,051 89
Administration of Justice	605,858 45	Charges on Revenue	142,730 06
Public Instruction	468,074 00	Miscellaneous	203,477 06
Agriculture	234,162 04	Trust Funds	100,744 51
Colonization	110,500 00		
Public Works and Buildings	168,542 98	Total	$4,702,629 88

His estimated receipts for the year ending June 30th, 1905, were $4,747,394 and the estimated expenditures $4,733,852 with railway subsidies totalling $74,746. According to the Public Accounts (presented to the Legislature in 1905) the actual Receipts for the year ending June 30th, 1904, and including items not mentioned in the above totals for 1902-3, were $5,192,232 and the expenditures $4,967,576. The Liabilities of the Province on June 30th, 1903, were $36,995,449 and the Assets $10,704,777. The Hon. E. J. Flynn, Opposition Leader, in his criticisms of the Budget* drew attention to the sale of timber limits under

* NOTE—Reported at length in Montreal *Star* of May 28th, 1904.

the Department of Lands, Mines and Fisheries which had realized $361,904 and which should not, he claimed, go into ordinary revenue at all. Deducting this and making some other changes in the figures he deduced an actual deficit of $201,101. For the current fiscal year he estimated a deficit of $175,636. Mr. Flynn went into an elaborate comparison of receipts and expenditures under the Conservative Governments prior to 1896-7 and those of the present Liberal Government and made out an increased expenditure of $1,353,343 in the latter six-year period. Without the sale of timber limits there would also, he declared, have been Liberal deficits aggregating $1,324,639.

The Financial Statements of the Maritime Provinces

In Nova Scotia the Hon. G. H. Murray, Premier and Provincial Secretary, laid his financial statement for the year ending Sept. 30th, 1903, before the Legislature on Jan. 21st. In doing so he traced the growth of the revenue from $855,960 in 1898 to $1,243,518 in 1903. Of this latter total the returns from mineral royalties amounted to $619,234 while the Dominion Subsidy amounted to $432,805. From Crown Lands came $62,497, from Hospitals $60,971 and from Succession duties $35,359. The expenditures were $1,177,330, of which the chief items were $90,397 on Crown Lands, $147,417 for Debenture interest, $264,931 for Education, $146,568 for Public Charities, $88,078 on Road grants to Municipalities, and $52,184, a royalty refund to the Iron and Steel Companies. The expenditure chargeable to capital account during the year was $999,161 which included $127,698 on Bridges, $425,000 debentures on 1st mortgage bonds of the Central Railway and $398,982 for other Railways. The Liabilities of the Province on Sept. 30th, 1903, were $4,884,948 and the Assets $1,856,141. The Opposition press claimed that this $999,161 of expenditure should have been added to the ordinary total of $1,177,330 and thus constitute an actual deficit of $932,911 instead of a surplus of $66,250. It may be added that a Provincial 3½ per cent. Loan for £650,000 was put on the London market in July and sold at 94.

The Hon. Wm. Pugsley, Attorney-General in New Brunswick, presented the annual financial statement to the Legislature on Apr. 11th in the absence of the Premier. It dealt with the year ending Oct. 31st, 1903, and the figures as they eventually appeared in the Public Accounts showed Receipts of $940,410. This total included $491,360 from Dominion Subsidies, $125,000 from proceeds of a Loan, $169,528 from timber license renewals, sales and stumpage dues, $22,383 from liquor licenses, $29,340 from taxes on corporations and $23,083 from Succession duties. The Expenditures were $944,294 including $202,847 upon education, $136,894 upon interest, $319,350 upon public works, $53,087 upon the Lunatic Asylum, and $25,977 upon public health. The estimated Receipts for 1904 were $878,547 and the Expenditures $856,966. The Debt

of the Province on Oct. 31st, 1903, was $3,849,655 with Assets of $635,709. On Apr. 12th Mr. J. K. Flemming made an elaborate criticism of the Budget from the Opposition standpoint; Mr. W. S. Loggie, a Liberal, predicted serious trouble if the Government did not adopt better business methods; and Mr. Douglas Hazen, the Opposition Leader, described the actual deficit as $40,000, denounced the system of book-keeping and deplored the borrowing of $137,000 during the year. Government speakers hoped for much from the claims against the Federal authorities.

In Prince Edward Island the Public Accounts were submitted to the Legislature on Apr. 11th showing ordinary receipts of $318,766, ordinary expenditures of $328,000, a capital expenditure of $120,000 and a total Debt of $667,000. The revenue included the Dominion subsidy of $211,932, a land tax of $32,-156 and small sums raised from taxing commercial travellers, insurance companies, and public lands, together with the Succession duty and Road tax. Education cost the Province $123,944, ferries $18,311, roads and bridges $50,000, insane asylum $27,-310 and interest $29,000. Mr. Premier Peters in his ensuing Budget speech expressed hope for the future from some of the claims made against the Dominion.

The Manitoba Financial Statement

Owing to the recent death of the Provincial Treasurer the Budget speech in Manitoba was delivered on Jan. 25th by Mr. Premier Roblin. He stated the Consolidated Revenue receipts for the year 1903 as $1,352,217 and the Expenditures as $1,262,292. Deducting from this latter sum $58,852 of exceptional expenditure such as the $10,000 toward the Queen Victoria Memorial, it left the surplus for the year $148,777. In 1900, the first year after the Conservatives came into power, the surplus was $11,056; in 1901 it was $49,444; and in 1902 it was $289,-686. On Dec. 31st, 1903, the Government had in the banks a cash balance of $1,121,347 of which $815,394 was Trust Funds and $305,953 Consolidated Revenue funds. The expenditure during the year for civil government, administration of justice and maintenance of public institutions was $438,300; for Land Titles offices $81,415; for public works, public services and interest $306,461; for agricultural, educational and hospital purposes and municipal and other grants $420,125. Municipal debentures to the extent of $241,000 had been paid off out of trust funds which had accumulated for the maturity of the bonds. Out of the 542,560 acres received under the agreement of May 9th, 1899, with the Manitoba and North-West Railway, 409,706 acres had been sold for a total of $1,532,286—of which 87,924 acres had been sold in 1903 for $353,467.

After an elaborate statement as to the School Lands and Swamp Lands controversies with the Dominion Government Mr. Roblin dealt with the general prosperity of the Province, intimated the Government's intention to press for an extension of boundaries

to Hudson's Bay and proposed certain increases in salaries—the Premier to $4,000, the Speaker to $1,000 and the Members' indemnity to $500. His estimates for 1904 included $1,524,315 revenue and $1,614,159 expenditure. In the latter sum were included $75,000 for the new Agricultural College, $70,000 for the Asylum for Insane and $50,000 for a Winnipeg Normal School. Mr. Thomas Greenway followed in a criticism of the Budget which may be summarized as a vigorous denunciation of certain detailed items of expenditure and in the statement that increase of expenditure from $1,280,240 in 1899 to the estimate of $1,614,000 in 1904 was "simply appalling." He was answered by the Hon. Robert Rogers.

Financial Statement of the North-West Territories

On Feb. 20th, 1904, Mr. F. W. G. Haultain, Premier and acting Treasurer of the North-West Territories, submitted the Public Accounts to the Lieutenant-Governor. They showed receipts for the year ending Dec. 31st, 1903, of $1,108,289, of which $988,184 came from the Dominion authorities and the balance from various small sources of local taxation. The expenditures were $828,787, leaving a balance of $279,502 to go upon the indebtedness of the preceding year or the expenditure of the current one. The chief items were $70,252 upon civil government, $41,183 upon legislation, $372,156 upon public works, $241,296 upon education, and $47,192 upon agriculture, statistics, hospitals, charities and public health. In the Legislature, on Oct. 6th, the sum of $194,300 was voted for the balance of the financial year ending Dec. 31st, 1904, and a total of $1,312,815 for the year ending Dec. 31st, 1905.

The Financial Condition of British Columbia

With the closing of the year 1903 and the financial legislation of its last month came the end of a crisis in the affairs of British Columbia, the nature of which was indicated to some extent in the statement of the Vancouver *Province,* on Dec. 30th, to the effect that the Province "is indebted to the Bank of Commerce to such a degree that it cannot honourably dispose of any important portion of its revenue without first having consulted with and obtained the approval of the Bank." The troubles of the Province were due to a small population living in the midst of great natural wealth; to consequent real estate inflations of value and mining speculation; to over-capitalization of companies and the depression caused by inevitable collapse; to the want of transportation in some quarters and high freight rates in others; to the physical and transportation difficulties natural in a mountainous country and the consequent expense of administration; to Labour difficulties and unpleasant political experiences. Writing in the *Financial Times* of London, early in the new year, Mr. Premier McBride reviewed the situation of the Province and concluded that with all the troubles of the past "the future is full of hope. We have just been entering upon the verge of our possibilities. The develop-

ment which has taken place so far has simply served to reveal them in part."

On Jan. 19th the Hon. R. G. Tatlow presented his annual Budget to the Legislature. He started by expressing a desire to avoid recrimination as to the past but pointed out that during the preceding 12 years the expenditures of the Province had exceeded the receipts by $8,621,592—inclusive of a recent $3,500,000 Loan but exclusive of some $400,000 paid in Railway subsidies. When the present Government took office at the beginning of the financial year it found an empty treasury, liabilities already contracted of $650,000 and a credit strained to the utmost limit. He summarized the position at that time to have been one of practical bankruptcy. Hence the December Loan Bill and the Assessment Act which latter would, he expected, give an increased income of about $335,000. He analyzed the illimitable resources of the Province, described its products of $29,000,000 in value during 1903, and expressed unbounded faith in the future. The revenue which in 1903 was $2,044,630 had risen to $2,638,260 in 1904 and the expenditure which totalled $3,393,182 in 1903 had decreased in 1904 to $2,862,794. The estimated revenue for the year ending June 30th, 1904, was $2,193,476 and the expenditure $2,491,566 with Supplementary estimates of $18,995, $9,974 and $139,830.

For 1904-5 the estimated revenue was $2,522,076 and the expenditure $2,442,354, or an estimated surplus of $80,000. The expected revenue included $307,076 from Dominion subsidies and grants, $150,000 from Lands, $250,000 from timber royalties and licenses, $320,000 from mines and miners and the mineral tax, $250,000 from the Real Property tax, $200,000 from the Personal Property tax, $100,000 from the Wild Land tax and a similar sum from the Income tax, $150,000 from the Revenue tax, $80,000 from Registry fees, $200,000 from the Chinese Restriction Act (Dominion Government refund), $130,000 from royalty and tax on coal and the balance from miscellaneous and minor sources. The expenditures included $668,979 to meet charges on the Public Debt; $248,620 for civil government (salaries, etc.); $216,794 for the administration of justice: $154,340 for the maintenance of public institutions; $444,846 for education; $365,250 upon works and buildings, roads, bridges, wharves, etc.; and the balance upon miscellaneous services and requirements. The Provincial Debt in 1903 was $8,539,878 and in 1904 $8,764,412.

VI.—RELATIONS OF CANADA WITH THE EMPIRE

The Government of the Empire in 1904

One of the most marked Imperial developments of the year 1904 was the continued growth of King Edward in the esteem of his own world-wides peoples and in the respect of Foreign nations. In the former connection Lord Northcote, the new Governor-General of Australia, on Jan. 28th, conveyed a Royal message to the people of the Commonwealth and then added the following words: "Every constitutional process having for its object the linking together of the different component parts of the great Empire is sure to be sympathetically regarded by our Sovereign, and I know his hope is that his people who live outside the narrow seas of Great Britain may believe that His Majesty regards them primarily, not as inhabitants of colonies or dependencies of the Mother-Country, but as equally valued component parts of one mighty nation."

The King's visit to Ireland (Apr. 26th-May 5th) helped in the process of conciliation which had been proceeding in recent legislation and his welcome by Nationalists as well as by Loyalists indicated an Imperial influence for good which was of importance to Canada as well as to Great Britain. The signing of a Treaty of Arbitration with Italy in January, with Spain in March, and with Germany on July 12th—following upon the King's visit in June—were largely due to His Majesty's personal influence with the rulers of those countries and to a popularity with the masses which, in two cases at least, helped greatly in soothing current animosities. Hence, in part, the following comment of the Toronto *Globe* on Apr. 13th:

> No Monarch known to history ever in so short a time earned a higher title to enduring fame than Edward VII. has achieved since he came to the Throne of the United Kingdom. Already at his accession a man of wide experience and mature judgment, he was perfectly clear in his own mind as to what he should specially aim at in his Sovereign capacity and he has with phenomenal tact, commendable persistence, and unprecedented success, devoted himself to the realization of his ideal. By natural disposition, by domestic association, and by political environment he is a peacemaker among nations, and he has been aided in his self-imposed task by the peculiar international situation which he found ready to his hand when he assumed the kingly office.

In the French Treaty which was signed on Apr. 8th King Edward was a most potent factor and the arrangement by which Egypt was freed from Foreign control and practically admitted to be British territory, while Newfoundland was freed from the Coast troubles and conflicts of a century, owed much to his tactful diplomacy. On Nov. 9th, indeed, Sir W. McGregor, Governor of Newfoundland, during a banquet at St. John's, conveyed a personal

message from the King assuring them of his earnest endeavours to promote a settlement of the French Shore question. To Canada this matter was one of the most vital importance. In the controversy with Russia over the Hull fishing fleet outrage of Oct. 23rd, which so nearly plunged the Empire into a great war, it may be said that the King's influence, coupled with the statecraft of Lord Lansdowne—as exhibited in that historic speech of Nov. 9th—alone held the dogs of war in leash. The remark of a member of the Trades' Union Congress at Leeds (Sept. 7th) that in his opinion "King Edward was about the only statesman that England possessed" was significant in this connection even if unfair. Still more so was the description of His Majesty in the Radical *News* of London, on Nov. 10th, as "the first citizen of the world and the chief Minister of Peace." Illustrative of the King's wide personal view-point were such incidents as his telegrams of sympathy on the occasions of the Toronto fire and the loss of life in the Steamer *Clallam* accident off the coast of British Columbia; and in the congratulations cabled to Senator Wark upon reaching his hundredth birthday.

There was no important change in the construction of the Imperial Government during the year and the majorities, though small and fluctuating in comparison with what they had once been, were still sufficient. In the country they continued to lose ground as they had done in the 29 bye-elections between May, 1902, and Feb. 27th, 1904, when the aggregate Liberal vote had increased by 45,024 and the Conservative vote had decreased by 4,743. A notable political event was the announced retirement of Sir Wm. Harcourt and his death a few months later, on Oct. 1st. In the external Empire—apart from Canada—there were many important changes. Dr. L. S. Jameson, C.B., became Prime Minister of Cape Colony, on Feb. 21st, in succession to Sir J. Gordon Sprigg, with a small majority in both Houses and with a distinctly-announced policy of loyalty and Imperialism. In Australia Lord Tennyson relinquished the post of Governor-General on Jan. 20th with a farewell message to the people which included the following words:

> May I repeat what I have said before, that it was my fortune to inherit a strong and passionate desire to endeavour to the utmost to share in helping the British Empire to realize her mighty and manifest destiny. My belief is that this destiny will find its accomplishment through a yet closer union, which, while preserving, strengthening, and developing every individual part, will so bind the whole together with a common loyalty and a common patriotism that we shall be able fearlessly to lead the nations in the path of truth and justice, righteousness and freedom, peace and progress.

Lord Northcote, G.C.I.E., C.B., his successor, arrived on the following day. On Feb. 27th the appointment of Lord Plunkett, K.C.V.O., as Governor of New Zealand, was announced. Major-General Sir Herbert Chermside resigned the Governorship of

Queensland on Sept. 30. In July Sir Gerald Strickland was appointed Governor of Tasmania. Meanwhile, the year which had opened with the Hon. Alfred Deakin as Prime Minister of the Commonwealth (since Sept. 24th, 1903), saw many political changes. On Apr. 27th, after varied struggles with difficult conditions—which are well indicated in the fact that the House of Representatives was made up of 21 Ministerialists, 26 Oppositionists and 23 Labour men—the Deakin Government was replaced by a Labour Administration composed of Mr. J. C. Watson as Prime Minister and Treasurer, Mr. W. M. Hughes as Minister of External Affairs, Mr. H. B. Higgins, K.C., as Attorney-General (the only Minister not a workingman), Mr. E. L. Batchelor as Minister of Home Affairs, Mr. A. Fisher as Minister of Trade and Commerce, Senator A. Dawson as Minister of Defence, Mr. H. Mahon as Postmaster-General, and Senator G. McGregor as Vice-President of the Executive Council. Opposed by parties under the respective leadership of Mr. Deakin and Mr. G. H. Reid and composing, when united, a majority of the House of Representatives, the life of Mr. Watson's Government was not a happy one. He was finally defeated on Aug. 12th and, after sundry negotiations between the Opposition Leaders and the refusal of a Dissolution by the Governor-General to Mr. Watson, was succeeded on Aug. 15th by the following Administration:

Premier and Minister for External Affairs .	Rt. Hon. G. H. Reid, P.C.
Treasurer	Rt. Hon. Sir George Turner, P.C.
Attorney-General	Hon. Sir Josiah Symon, K.C.
Minister of Home Affairs	Hon. Dugald Thomson.
Minister of Trade and Commerce	Hon. A. McLean.
Minister of Defence	Hon. J. W. McCay.
Postmaster-General	Hon. Sydney Smith.
Vice-President of Executive Council	Hon. J. G. Drake.

In the State Governments there were many transformations. The Government of Mr. W. H. Irvine was replaced in Victoria on Feb. 16th by one under the Premiership of Mr. Thomas Bent with Mr. J. W. Taverner appointed as Agent-General in London. On Mar. 16th, Sir Alexander J. Peacock resigned the Leadership of the Opposition and was succeeded by Mr. Donald MacKinnon. The new Government were sustained in the ensuing elections. In South Australia a re-construction of the Government took place with the Hon. J. G. Jenkins retaining the Premiership. In Queensland there were several Ministerial crises and a general election chiefly notable for the return of 34 Labour members with the remaining 38 almost equally divided between two other parties. Western Australia also had a general election in which the Ministry of Mr. W. H. James found themselves facing 22 Labour members with 18 Ministerial supporters and 9 Independents. A Labour Ministry was formed with Mr. H. Daglish as Premier. In Tasmania Mr. John William Evans formed a new Government on July 7th and in New South Wales the Admin-

istration of Sir John See was succeeded for a short time by a re-constructed Cabinet under Mr. Thomas Waddell and on Aug. 29th by one in which Mr. J. H. Carruthers, Leader of the Opposition, became Premier and Treasurer. Labour, local, and personal issues were the chief elements in these changes.

Miscellaneous Empire matters of interest or importance must be hurried over. Under date of July 2nd Lord Strathcona received from the Lord Mayor of London, as Treasurer, an acknowledgment of the receipt of £30,000 from the Government of Canada as a contribution to the Queen Victoria Memorial Fund. During the year Mr. Alfred Lyttelton's handling of important questions such as that of Chinese labour in the Transvaal brought him considerable recognition in his difficult post of successor to Mr. Chamberlain. In the House of Lords on July 1st a question, much discussed in Canada during 1901, was revived by the Duke of Norfolk's motion asking for an Amendment to the historic Declaration made by the Sovereign upon his accession to the Throne. After a discussion taken part in by the Archbishop of Canterbury, Earl Cowper, Lord Lansdowne and others the motion was negatived without division and an amendment moved by the Earl of Jersey agreed to as follows: "That this House, while desirous that no expression unnecessarily offensive to any of his subjects should be required of the Sovereign on his accession to the Throne, is of opinion that nothing should be done to weaken the security of the Protestant succession."

An incident of the year was the revived public interest in Lord Beaconsfield's career caused by the centenary of his birth occurring on Dec. 20th and the publication of various editions of his works and memoirs of the statesman himself. The death of H.R.H. the Duke of Cambridge on Mar. 17th and of Sir Henry M. Stanley, M.P., on May 10th, removed two Empire figures from the public scene, while in Australia the year was marked by the deaths of four important public men—Sir John McIntyre on Jan. 18th, Sir Graham Berry on Jan. 25th, Sir E. N. C. Braddon of Tasmania in February, and Sir George R. Dibbs on Aug. 5th. On Aug. 10th Dalgetty was selected as the site of the future Commonwealth Capital. Some important appointments made by the King's Government during the year, or honours conferred upon Colonial public men and officials, were as follows:

Feb. 15.—H.R.H. The Duke of Connaught, K.G., to be Inspector-General of the Forces.

June 19.—Admiral Sir John Arbuthnot Fisher, G.C.B., to be Senior Naval Lord of the Admiralty.

June 20.—Vice-Admiral Sir Archibald Lucius Douglas, K.C.B. (a Canadian), to be Commander-in-Chief at Portsmouth.

June 20.—Vice-Admiral Day Hort Bosanquet to be Commander-in-Chief on the North America and West Indies Station.

Dec. 25.—Rear-Admiral Wm. Henry May, M.V.O., to command the Atlantic Fleet.

June 24.—Knighthood. Hugh Montagu Allan of Montreal, and the Hon. Edward Patrick Morris, K.C., M.L.A., Minister of Justice for Newfoundland.

June 24.—K.C.M.G. The Hon. George Alexander Drummond, Senator of Canada; the Hon. George Morris Sutton, Premier of Natal; the Hon. John Frost, C.M.G., M.L.A., of Cape Colony.

June 24.—Imperial Service Order (I.S.O.) Antoine Alphonse Boucher, Assistant Master in Chancery, Ottawa; Antoine Gobeil, Deputy Minister of Public Works, Canada; Gustave Grenier, Clerk of the Executive Council of Quebec; David Pottinger, General Manager of Government Railways, Ottawa; John Roberts Wallace, Assistant Receiver-General, Ottawa; Rev. Wm. Pilot, D.D., D.C.L., Superintendent of Church of England Schools in Newfoundland.

Nov. 9.—K.C.M.G. Thomas Ekins Fuller, Agent-General in London for Cape Colony.

Nov. 9.—Knighthood. Hon. Wm. Henry Horwood, Chief Justice of Newfoundland; Hon. Alfred Sandlings Cowley, Speaker of the Legislative Assembly of Queensland; Mr. Matthew Henry Stephen, Clerk of the Legislative Assembly of Victoria.

Nov. 9.—C.M.G. The Hon. Alfred Dobson, Agent-General for Tasmania in London, and Mr. Charles Gavan Duffy, Clerk of the House of Representatives of Australia.

The Close of Lord Minto's Administration in Canada

The last few months of the Earl of Minto's tenure of the Governor-Generalship were well filled with incident. In them he traversed Canada from Victoria to Quebec and, with Lady Minto, received many expressions of good-will and loyalty to the institutions which his office embodied and to the Sovereign whom he personally represented. The first important event in which His Excellency was concerned during 1904 was the Canadian Club banquet at Ottawa on Jan. 18th. Here, in company with the Premier and Mr. R. L. Borden he dealt with subjects of Imperial interest and urged his audience not to forget in their exuberance of youth and prosperity the old folks at home—"full of responsibilities, full of the hard-earned experience of many generations and, thank God, as strong as ever still." He hoped they would go on making history, cherishing, however, their nationality and membership in a clan, "owning fealty to one chief, our King, and working out together the greatest history the world has ever known—the history of the British Empire."

On Mar. 13th Their Excellencies held their last Drawing Room at Ottawa. In the House of Commons on Aug. 4th the Prime Minister moved an Address to the retiring Governor-General, expressive of appreciation for his sympathetic interest in the Canadian people and Dominion; assuring him of "the unalterable loyalty and devotion of the people of Canada to the Throne and their abiding affection for the Mother-land"; and thanking the Countess of Minto for her aid to every project promising the alleviation of suffering or the brightening of the lives of the poor. After a general tribute to preceding occupants of the office Sir Wilfrid Laurier proceeded as follows:

THE MOST REV. AND RIGHT HON. DR. RANDALL T. DAVIDSON
Archbishop of Canterbury and Primate of all England.
Visited Canada in 1904.

It has been my privilege especially to come in close contact with His Excellency. It has been my privilege as first servant of the Crown in this country, and I bear this testimony most cheerfully that, above all things, he is a man most unflinching in the performance of his duty. Nothing can move him from what he conceives to be right. In all things he has been a model of a constitutional Governor, maintaining at all times the dignity of the Crown and never forgetting the rights of the people. He was not satisfied only to perform his duties in a merely perfunctory manner, but he took the trouble to go out and to get in close contact with the people. He visited different sections of the country. He was approached by all classes and I am not speaking too strongly when I say that, if it were possible to do so, he has drawn the Crown even nearer to the hearts of the people than it was before.

Mr. R. L. Borden seconded and endorsed the motion, which passed by a standing vote. In proroguing Parliament on Aug. 10th Lord Minto expressed his thanks for the Address which had just been presented, his appreciation of the increasing prosperity and magnificent resources of Canada, and his intention to continue sharing in "the hopes and aspirations of this great country." At a farewell Dinner given to His Excellency by the Garrison Club of Quebec, on Aug. 18th, Lord Minto made some local references which would have been of considerable value if acted upon: "He loved to look upon the Plains of Abraham, hallowed by time, and rich in historical allusion. He regretted that vandalism seemed to be entering the usurping wedge, and that a glorious battle-field, full of heroic memory and annalistic lore, was in danger of being sacrified. Improvements were all well enough in their way, but there was such a thing as destroying too ruthlessly old landmarks, landmarks which made Quebec to-day one of the most picturesque and beautiful spots on earth."

On Aug. 27th Lord and Lady Minto and Lady Eileen Elliot were at Owen Sound and welcomed with gay decorations, crowds of people and the usual Address. Accompanied by Major Maude and others of his suite the Governor-General and his party started thence on a farewell tour to the Pacific Coast. On Aug. 30th they were welcomed at Sault Ste. Marie, on the following day at Port Arthur and Fort William, and on Sept. 1st—after passing through a collision at Sintaluta in which several persons were killed—they proceeded straight to the Coast with only a brief stop and cordial welcome at Brandon. At Victoria, on Sept. 5th, a Civic Reception was held and an Address presented and in the evening a similar function was held in the Parliament Buildings. After a hearty welcome at Vancouver Lady Minto proceeded to Banff and the Governor-General went on to Edmonton from whence he started on a 500-mile riding tour to Lloydminster, Battleford and Saskatoon. Leaving on Sept. 10th with a picked escort of Mounted Police it was intended to ride 50 miles a day and to arrive at Saskatoon on the 21st. This was done and on the following day Lord Minto was welcomed at Regina where he also rejoined his party. They arrived at Winnipeg on the 23rd and were recipients of a farewell Address from the citizens. Lord Minto presented

the King's Colours, which His Majesty had sent to several Canadian Regiments in special recognition of their services in South Africa, to Colonel T. D. B. Evans for the Royal Canadian Mounted Rifles and Lady Minto met a number of prominent persons at Government House whom she interested in her effort to complete the fund of $125,000 for her Cottage Hospital scheme—of which $100,000 was already contributed.

At Ottawa, on Oct. 11th, the Governor-General amidst most striking ceremonial presented the King's Colours to the Royal Canadian Garrison Artillery and the Royal Canadian Regiment. On the following day a farewell visit was paid to Montreal, where a ball was given at St. James' Club in honour of Their Excellencies and a banquet to Lord Minto on Oct. 13th. Mayor Laporte presided at the latter function, an Address was presented and speeches delivered by Bishop Carmichael, Sir George Drummond, Mr. Tarte, Archbishop Bruchési (who referred to His Majesty as "the King of Peace"), Chief Justice Lacoste, the Hon. Mr. Fitzpatrick, and the Hon. Mr. Lemieux. In his speech the Governor-General described his term of office as only "the first heat in the great Imperial stakes"; referred to the War which had raised the question of Imperial responsibilities in the King's subjects beyond the seas; spoke of the great statesman who aimed at "directing into one common channel the interests of the Motherland and her self-governing Dependencies"; and promised to be in England a missionary of the natural greatness of Canada :

> We are in a transition state, the old order of things is passing away and Colonies are becoming nations with a national sentiment of their own, but—I say it as strongly as I can—with no diminution of affection to the Mother-land from which they sprang. We are face to face with a problem full of difficulties, no doubt. Conditions are changing, and we cannot afford to stand still. Now that I am leaving you, I will only say, work out the problem with all deference to the traditional doctrines of the Old World, with full regard for the hopes of your rising nationality, with all respect for racial traditions, but remember always that what is good for the Empire is good for Canada, and what is good for Canada is good for the Empire.

Toronto was visited on Nov. 10th-12th and the incidents of the period included a dinner at the Toronto Club to Lord Minto, a military prize-giving function at the Armouries by Lady Minto, a luncheon to Their Excellencies at the Hunt Club, a public reception at the City Hall and the presentation by Lord Minto of King's Colours to Colonel Lessard, C.B., for the Royal Canadian Dragoons. Ottawa said farewell on the 16th with an Address tendered amidst the cheers of thousands and a special souvenir was presented by the Hon. Mr. Belcourt to Her Excellency from the citizens, in the form of a Maple Leaf brooch and pendant set with diamonds. A parade followed through crowded streets. The train was then taken for Quebec where Addresses were received by the Governor-General from the City and the University of

Laval and the degree of D.C.L. from the latter. Suitable replies were given, a dinner accepted from the Officers of the Garrison Artillery and a Reception held in the City Hall.

On Nov. 20th the Premier received a farewell Marconi message from ship-board and a few days later a despatch was made public from the Colonial Secretary, dated Nov. 12th, and thanking Lord Minto, on behalf of His Majesty's Government, for the zeal and devotion with which his duties in the past six years had been discharged. They were "glad to recognize that during this period the highest office in the Dominion has been held by one upon whose discretion, ability and courageous sense of duty they could sufficiently rely on all occasions." The comments of the press upon Lord Minto's term of office were almost uniformly kindly and appreciative. Respect and sincere liking were the dominant notes.

Appointment and Arrival of Earl Grey as Governor-General

During the year there was a good deal of speculation as to Lord Minto's probable successor. The most prominent name mentioned at first was that of the Duke of Marlborough and for a time the impression was very general that he would receive the appointment. As Under-Secretary for the Colonies His Grace had of late shown much natural interest in Canadian affairs and there was no doubt as to his possession of many qualifications for the post—including a charming wife who had made herself very popular in England. But the idea of an American hostess at Government House was obnoxious to Canadian thought and some of the newspaper comments upon the Vanderbilt millions and the future rush of New York society to Ottawa were suggestive of a most unpleasant lack of courtesy while, at the same time, based upon a keen and natural aversion to any repetition regarding Canada of the sort of comment prevalent for years in the United States press as to Lady Curzon's position in India. The "Vicereine Peril" was one of the amusing forms which this criticism assumed—St. John *Telegraph*, Aug. 27th.

The visit of the Duke of Sutherland caused rumours as to his coming appointment while the names of the Earl of Onslow, lately Under-Secretary for the Colonies, Lord Tennyson, the retiring Governor-General of Australia, and Mr. W. H. Grenfell, M.P., were used with more or less persistency. A natural tribute to Lord Strathcona's popularity was paid in his occasional nomination to the post by the press—notably in the Ottawa *Free Press* of June 23rd where it was urged as appealing to the Canadian "sense of nationality." Amongst the other rumours in this connection was one stating that Earl Grey would be appointed. On June 11th this was definitely announced in a cablegram from London but just as definitely contradicted afterwards. Pending the contradiction, however, it was accepted as a fact and many editorials of a complimentary character were written. On Sept. 1st it was announced that the King had approved the appointment and on

Dec. 1st the new Governor-General sailed for Canada. His career had been already marked with some distinction as a popular Administrator of the Chartered Company's territory in South Africa (1896-7); as a friend and close associate of Cecil Rhodes; and as a social reformer in England and the founder of the temperance movement known as the Public House Trust. To many Canadians, also, his political and personal connections were of interest. As a grandson of the celebrated Liberal Premier—the 2nd Earl Grey—and a nephew of the 3rd Earl, who was for a number of years Secretary for the Colonies, his name was of great historical import while the family relationship by marriage to the famous Earl of Durham was not without additional interest. He was also a brother-in-law to Lord Minto and had visited Canada a couple of years before his appointment.

The press of both Great Britain and Canada was almost uniformly eulogistic. By rank, integrity, knowledge of affairs, devotion to public welfare, personal abstraction from party politics, and tactfulness, he was declared well-fitted for the position. The only important exception to this style of comment was the Radical *Daily News* which disliked his Imperial sentiment, his support of Mr. Chamberlain and his association with Rhodes and Jameson. In this latter connection it may be noted that Lord Grey tendered his resignation as Vice-President and Director at the meeting of the British South Africa Company on Oct. 10th, by means of a long letter elaborating the splendid Imperial work done by the Company; describing the 750,000 square miles of fertile and highly mineralized land added by their efforts to the Empire in Africa; stating that the control of this territory saved the situation in the late War; referring to the clause in the Rhodesian constitution establishing a minimum tariff of ten per cent., only on British goods, and to the million pounds sterling already contributed in different ways by that country to the British Exchequer. In speaking to the subject the Duke of Abercorn, who presided, expressed their appreciation of Lord Grey's personality; of "his counsel, his energy, and his single-minded and unselfish devotion" and wished him all success in his new sphere.

Before his departure Lord Grey took part in several important functions. On Nov. 8th he presided at a meeting of the Royal Colonial Institute which was addressed by Dr. G. R. Parkin on the Rhodes' Scholarships and in the course of his own brief speech referred to his opinion of Cecil Rhodes—expressed some years before to Dr. Parkin—as "the greatest of living Englishmen." He declared Rhodes' ruling idea to have been the strengthening of the British Empire. On Nov. 21st a banquet was tendered Lord Grey in London with Lord Strathcona in the chair. Amongst the 230 guests were the Archbishop of Canterbury, Lord Aberdeen, Mr. St. John Brodrick, M.P., Admiral Sir Archibald Douglas and General Sir Neville Lyttleton—all of whom spoke. In his speech the new Governor-General referred eulogistically to Cana-

dian soldiers in South Africa; spoke of the loyalty which stirred the pulses of the Canadian people; described the skies of Canada as blue and the air like champagne; mentioned a visit to Canada in 1883 with Mr. Brodrick and his interest in hearing the eloquence of the late Sir Adolphe Chapleau; and described the historic devotion of the United Empire Loyalists to the Crown. At Newcastle-upon-Tyne a banquet had also been tendered him on Nov. 7th presided over by the Duke of Northumberland. In his speech he described partnership and not rule as the key-note of the Imperial relationship; spoke of the rich resources and splendid climate of Canada and its freer and less crowded life; expressed his pleasure at the growth of the movement for celebrating Empire Day; declared it to be the duty of every Englishman crossing the ocean to the United States to visit the Dominion; and added this optimistic hope:

> **It had been steadily engaged in planting its roots for future national greatness; it was now arriving at the blossoming stage. Emigration to Canada last year was twice as large as that of the year before. It was believed by those who were not only healthy and cheerful optimists, but by those who took a very careful view of the future, that the population of Canada would, in 1950, be larger than that of the United Kingdom to-day, and would yet reach 50 millions. Under these prospects, with the achievements of the past, the circumstances of the present and the hopes of the future, it was not wonderful that Sir Wilfrid Laurier, the Prime Minister of Canada, in whom the people of Canada had lately expressed in no doubtful or hesitating voice their confidence, should have said that the nineteenth century belonged to the United States, but the twentieth century belonged to Canada.**

Meanwhile, Sir H. E. Taschereau, Chief Justice of Canada, had been appointed Administrator in Canada and during his three weeks' tenure of the position aroused some public attention by claiming the designation of "His Excellency" and personally insisting upon its use. Mr. Lyttelton was appealed to and cabled on Dec. 3rd that "Administrator is rightly styled His Excellency." On Dec. 10th the new Governor-General arrived at Halifax accompanied by the Countess Grey, Ladies Sybil and Evelyn Grey, and his staff. The welcome was elaborate and enthusiastic. A rift in the lute had occurred during the preparations through the City Council being in some way ignored, but the Hon. Mr. Fielding intervened with his personal influence and the matter was finally adjusted and an Address presented at the proper time.

Welcomed on landing by General Sir Charles Parsons, the Lieut.-Governor of Nova Scotia, the Hon. R. W. Scott on behalf of Sir Wilfrid Laurier, the Provincial Premier and his Government, the Mayor and the City Council, Lord Grey and his family then drove through streets lined with armed men and crowded observers, accompanied by a brilliant escort, to the historic chamber of the Legislative Council, where he was sworn in by Mr. Justice Sedgewick, acting Chief Justice of Canada. Addresses were presented to His Excellency by the Government of Nova Scotia and

the Corporation of Halifax and to Lady Grey from the National Council of Women. In the evening, after a state dinner at Government House, a Reception was held in the Legislative Council Chamber. On Sunday Lord Grey heard a sermon from Bishop Worrell at the Anglican Cathedral and on the following day the Vice-Regal party left for Ottawa, where they arrived on the 13th. Meantime Lord Grey had made a most favourable impression on the people and his brief speeches, in particular, had been so well worded and delivered as to cause special comment. At Ottawa the reception was simple but cordial and the following extract from His Excellency's reply to the civic Address well illustrates the nature of his speeches and sentiments :

> **The blood is stirred and the imagination warmed in the ideas conveyed to the mind by the contemplation of your vast territories, of the mysterious and fascinating silence of the undeveloped North, of the varied richness of your boundless resources, of the unsurpassed charm and splendour of the scenery, and of the invigorating magnificence of your unrivaled climate. But there is one asset which you possess even more important than those to which I have referred, than those of area, riches, mystery, scenery, and climate, namely, that which is represented by your national character. If you do not jealously guard the sacred fire of that asset, the others to which I have referred will be as dross and as the crumbling clay. If, on the other hand, you keep, as your Address informs me you will keep, the character of your people, high, strenuous, virile, imaginative, heroical, and Imperial, no one can venture to set a limit to the degree of the influence which will be exercised on the future of mankind by the great Canadian nation, composed as it is of all that is best in England, Scotland, Ireland and France, and privileged as it is to be a factor, and a factor of ever-increasing importance, in that British Empire, representing already over 400,000,000 beings, which is the greatest and most beneficent organization that has ever attempted to be the instrument of God on this earth.**

The staff of the new Governor-General was announced a few days later as including Colonel J. Hanbury-Williams, C.V.O., C.M.G., Military Secretary; Capt. G. F. Trotter, D.S.O., Capt. D. O. C. Newton, and Lieutenant the Viscount Bury as Aides-de-camp; Major G. F. Parke as Comptroller of the Household; and Mr. Arthur F. Sladen as Private Secretary to His Excellency.

The Canadian Preferential Tariff

The year opened in this connection with some talk of German fiscal negotiation. On Dec. 12th, preceding, a debate in the German Reichstag had indicated, according to *The Times* correspondent, a very general desire to avoid any display of irritation at Canada's Surtax upon German goods on the ground that "it would only strengthen the hands of Mr. Chamberlain and the British fiscal reformers." There was one exception, in the person of Count Reventlow, who complained that "they were in a state of tariff war with Canada and had to submit to high penal tariffs imposed by the Canadian Government." He rallied the press upon subduing their indignation at this treatment for fear of Mr. Chamberlain. Early in January Mr. Franz Bopp, the German

Consul-General at Montreal, had a long conference with the Prime Minister and it was inferred that negotiations were pending.

Germany's resentment at Canada's Preferential tariff had been extreme and the withdrawal of the most-favoured-nation treatment and application of the maximum German tariff to Canadian goods had followed. Now, however, the Chamberlain movement in Great Britain, the fact of German exports to Canada exceeding by many times the imports, the adoption of Mr. Fielding's Surtax upon German goods, and the British Government's warning against any extreme retaliation, were supposed to be having their effect. On Feb. 2nd, however, it was announced that the German treaty with Great Britain renewing, for two years from Dec. 31st, 1903, the most-favoured-nation treatment to the British Empire, though not mentioning any exemptions from such treatment, did practically exclude Canada. This was done through providing that the same conditions as prevailed before the last notification of June 11th, 1901, should remain in force.

It was therefore evident that Lord Lansdowne's efforts to prevent such an exclusion* had failed in the end and, possibly, the contradictory conditions under which he had endeavoured to make the Empire appear as a unit, with the Preferential tariff a domestic detail, while Mr. Fielding—presumably without consultation—launched a retaliatory Surtax, may have had something to do with the result. A few days after the above announcement it was semi-officially stated that Germany had expressed, through the Imperial authorities, its desire to resume negotiations with Canada. Meantime several important additions to the area of the Preferential tariff were being evolved. On Feb.17 the Governor of British Guiana announced that the United Kingdom and Canada would be given a tariff preference of 10 per cent. A few days later the Canadian Preference of 33 1-3 per cent. was extended to New Zealand in return for its recent reduction of 10 per cent.; on July 1st Canada received the benefit of the Preferential tariff established by Cape Colony, Natal, Orange River Colony, the Transvaal and Southern Rhodesia in favour of Great Britain and on July 5th those countries were added to the scope of Canada's preference.

Speaking at Bristol on Feb. 22nd, Sir Gilbert Parker referred to the benefit conferred by Canada's Preferential policy upon the Mother-land and estimated the consequent increase in British trade at $30,000,000. In a statement dated Feb. 20th, prepared by request of the Duke of Argyll and published in various British papers Mr. George Johnson, Dominion Statistician, went into most elaborate detail as to the effect of this tariff policy. He first showed the continuous reduction in British exports to Canada from $68,522,776 in 1873 to $29,412,188 in 1897; then the increase under the 25 per cent. Preference to $32,500,917 in 1898,

* NOTE—See *Canadian Annual Review* for 1903, pages 256-61.

and $37,060,123 in 1899; then the continued increase under the 33 1-3 arrangement from $44,789,730 in 1900 to $58,-896,901 in 1903. He proceeded from this to an analysis of the duties paid by Great Britain in 1901-2-3 under the Preferential tariff and those payable had there been no preference and placed the amount saved to her in this way at $8,464,596. The British ship-owners had also benefited as the goods brought over to Canada by them in 1897 totalled 708,579 tons, and in 1903, 1,619,788 tons. In four important lines of British export he also indicated the following expansion:

IMPORTS BY CANADA FROM GREAT BRITAIN.

	1895-96-97.	1901-02-03.
Class 1.—Cotton Goods	$ 9,144,222	$14,661,277
" 2.—Flax, Hemp, etc.	3,600,942	5,284,839
" 3.—Iron and Steel	6,330,134	13,704,947
" 4.—Woollens	19,103,929	25,571,661

The ready criticism of this contention was that between 1897 and 1903 imports from the United States into Canada had increased in even greater volume—from $61,649,041 to $137,505,-195—while the total imports from all countries had risen from $111,294,021 to $233,790,516. Meanwhile the question of limiting the Preference to British goods brought direct to Canadian ports received some consideration. On Jan. 20th the House of Commons discussed a motion by Mr. H. J. Logan and declared, on division, that "' the Preferential tariff should only apply to importations through Canadian seaports." The mover quoted the Halifax and Maritime Boards of Trade and the Canadian Boards of Trade Conference of 1902, as favouring the principle; the Premier approved the idea but thought business interests should have plenty of notice as to any application of the policy; Mr. R. L. Borden would go further and extend the principle to goods not under the Preferential tariff; Mr. C. B. Heyd declared the policy a violent and unsafe interference with trade. On June 28th the Council of the Toronto Board of Trade reiterated its strong opposition to such proposals as " forcing freight through irregular routes at additional cost of time and money."

In England the 1st Report of Mr. Chamberlain's Tariff Reform Committee, which appeared in July, contained many British tributes to the Preference from business men and manufacturers clearly indicative of individual benefit from its application. On the other hand, the Woollen industry in Canada continued its complaints as to English competition though there was a good deal of contradiction in the statements made.

Mr. Chamberlain's Campaign for Fiscal Reform

Following naturally upon any consideration of Canada's Preferential policy is a record of Mr. Chamberlain's campaign in Great Britain for a reciprocal preference. He maintained a keen and enthusiastic fight during the year and this despite unfair and untruthful rumours as to ill-health. The opening month of 1904 was marked by the final breaking of the

historic alliance between the Duke of Devonshire and Mr. Chamberlain. On Dec. 12th preceding the Duke had written a letter urging that no elector who believed in "free food," should support Mr. Chamberlain's adherents in the bye-elections and, on January 11th, a correspondence was made public which had passed between the two Liberal Unionist leaders as to the future of the Liberal Unionist Association of which His Grace was President. In these letters the Duke intimated his desire to dissolve an organization whose work against Home Rule was in some degree completed and whose existence was now endangered by Mr. Chamberlain's advocacy. The latter replied that he believed a vast majority of the rank and file of the Unionist party to be with him and intimated his wish for a meeting of the Association to decide the issue. On Feb. 3rd 80 members of its Council, out of a total of 123, met in London with Mr. Chamberlain in the chair. Lord Lansdowne, Lord Selborne, Mr. Arnold-Forster, Earl Grey and other notable members of the party were present. The Chairman read his correspondence with the Duke of Devonshire, described his negotiations for the maintenance of the Association—apart from and free of the fiscal reform issue—and moved a Resolution stating that in the opinion of this meeting "the existence and activity of the Central Liberal Unionist organization should be maintained." It was carried by 84 to 3 votes.

On May 18th the Council met again with the Duke of Devonshire presiding and a most representative gathering of Liberal Unionist leaders in attendance. The President in a lengthy speech reviewed his connection with the Association, his controversy with Mr. Chamberlain and Lord Selborne, his objection to any reconstitution of the body and his intended retirement. Mr. Chamberlain replied and explained his proposal as involving re-organization into a great central body similar to the National Union of Conservative Associations and the National Liberal Federation. He believed that 99 per cent. of the Liberal Unionists were with him in his fiscal reform policy and he wanted popular representation in the re-modelled organization. A Resolution to this effect was carried by a large majority, as were others favoured by Mr. Chamberlain, who at a subsequent meeting was elected President of the Association.

Meanwhile, on Jan. 11th, he had been speaking at a great banquet in Birmingham. He described the South African war as a struggle to preserve the fabric of Empire which had come into their hands as a trust; declared that the Colonies must be taken into their counsels; described the Empire as having all the elements of strength and permanence—though now in a state of solution; referred to himself as a "political visionary" and as dreaming dreams of Empire which took up most of his waking thoughts; eulogized the home market as essential to popular prosperity; asked for a tariff which should protect that home market against unfair competition, which would enable them to negotiate on equal

terms with protective nations, and prepare them to take advantage of the present sentiment of Empire to insure internal and external interests by bringing the British States together in closer union; described some of his opponents as having a patriotism quite equal to wrecking a Government but as unable to rise to the height of making an Empire; and quoted Sir Wilfrid Laurier as saying that the Empire would either draw together or drift apart.

On Jan. 15th Mr. Chamberlain's Tariff Reform Committee, composed of representative men of business and knowledge and experience such as Mr. Charles Booth, Sir Vincent Caillard, Sir J. A. Cockburn, Mr. S. B. Boulton, Mr. W. H. Grenfell, M.P., Sir Alfred Jones, M.P., Mr. C. Arthur Pearson, Sir Westby Percival, Sir Robert Herbert and many others, met at London in an opening session addressed by its founder. Mr. Chamberlain described the present fiscal system as antiquated and as requiring the investigation which was now being inaugurated. The object of Tariff Reformers he described as that of stimulating the industry and invention of the country by giving greater security to trade through the protection of commerce against unfair competition—the establishment of a scientific tariff adjusted to suit existing and changing conditions. On Jan. 19th he addressed a great gathering at the Guild Hall in what he described as "the nerve-centre of the Empire" and the clearing-house of the world. The speech was largely devoted to an analysis of trade conditions and of the recent returns which continued to indicate, he said, a reduction in exports to Foreign protective countries and, in addition, of exports to Colonial protective countries. The future lay between the mighty empires of the world, and British power and well-being lay in Imperial organization. His message to the people was "Learn to think Imperially," and then he concluded with these eloquent words:

> I ask you to remember that the future of this country, which we all cherish so much, and of the British race, lies in our Colonies and possessions. They are the natural buttresses of our Imperial State; and it behoves us to think of them as they are now, in their youth and promise, and to think of them also as they will be a century hence, when grown to manhood and developed beyond anything we can hope for their Motherland. Think of them as they are, and think of them as they will be; share and sympathize with their aspirations after a closer union; do nothing to discourage them, but show your willingness to co-operate with them in every effort they make or propose; and so shall you maintain the traditions of the past, the renown of this Imperial City, and the permanence of that potent agency for peace and for civilization which we call the British Empire.

In February Mr. Chamberlain lost a very devoted and able friend, and his movement a powerful supporter, in the death of Mr. Powell-Williams, M.P., and following this incident he went abroad to Egypt and Sicily for a couple of months to rest and recuperate. On May 12th, shortly after his return, a great meeting in Birmingham was addressed commencing with a sarcastic

reference to "the overwhelming logic of the Free Food League, the romantic arithmetic of the Cobden Club and the colossal imagination of the Radical press." It was all "a waving of old rags, the clattering of worn-out pans." They were not going to remain forever "the football of foreign nations." He urged his audience and the people not to be lured away by Chinese labour cries, Licensing Bill attacks, or Educational legislation, from the great duty of the present generation—the unification of the Empire. He wanted something better than the puny hope that the Empire would last his time and what alternative was there if fiscal unity was not sought and found as a basis? The path that was now right was also the profitable one. He did not want to protect pineapples but the great industries of the country and to raise the revenue as far as possible from the pockets of the foreigner. Something required reform when Lord Rosebery admitted the existence of 12 millions of people on the verge of hunger!

A debate took place, on May 18th, in the House of Commons upon a Liberal motion declaring the protective taxation of food to be "burdensome to the people and injurious to the Empire." Mr. Chamberlain, in speaking, frankly expressed himself as considering these abstract motions more or less useless. He preferred the platform to Parliament and his task was heavy enough now without adding to it such time-wasting discussions. It was for the people to decide and then he would come to Parliament. On July 8th Mr. Chamberlain was entertained at a banquet in honour of his 68th birthday by the Unionist members of the House of Commons. After the Chairman (Sir Herbert Maxwell) had described their guest as thinking and acting, while the rest of them were sighing and dreaming, Mr. Chamberlain declared his earnest belief that upon his policy of fiscal reform depended the maintenance of the Empire and the greatness of his country. He described his own conversion as coming out of his defence of Free-trade against the attacks of the Fair-traders in the early eighties; referred to the very idea of Empire as distasteful to Mr. Cobden and his friends; portrayed this greatest of possessions as a trust which involved the greatest of obligations. Let them not deceive themselves and play with destiny at this critical and creative period. Closer union or a drifting toward separation were the only alternatives. "Call the Colonies to your Councils," was his urgent advice.

On July 14th Mr. Chamberlain addressed an enormous Liberal-Unionist gathering in London. After the newly organized Council had elected him President, with Lord Lansdowne and the Earl of Selborne as Vice-President, it passed a Resolution declaring the time to have come for a complete reform of the fiscal system and approving the Premier's retaliatory views and the policy of a Commercial union with the Colonies "based on Preferential arrangements between them and the Mother Country." A week later he addressed the first annual meeting of the Tariff Reform League

presided over by the Duke of Sutherland. It was stated in the Report that over 18,000,000 leaflets and pamphlets had been already distributed. The question according to Mr. Chamberlain's speech was not one of loyalty, but of business; not one of British sacrifice, except in the matter of ancient prejudices and dead superstitions. They must solve the question of closer union in the Empire or eventually drift apart, and their intention was to combine business with sentiment, to the avoidance of this latter possibility. An address at Rochester followed on the 26th and on Aug. 1st a vote of censure was moved in the House of Commons by Sir H. Campbell-Bannerman regretting that certain of His Majesty's Ministers had accepted official positions in an organization which favoured Preferential duties involving the taxation of food.

In his reply to the Opposition Leader, Mr. Chamberlain quoted the Finance Minister of Canada, the Boards of Trade Resolutions from that country, and the views of three successive Premiers of Australia, as being favourable to his policy. The point of difference between himself and Mr. Balfour was solely as to the present practicability of his proposals. He suggested a new Colonial Conference. Mr. Balfour, in following, explained at length his own position. He wanted a lever with which to influence tariff conditions in foreign protective countries; he would like to have closer trade relations with the Colonies and it was their duty to find out what was wanted and what was possible; he did not share the intense popular prejudice against the taxation of food—but he recognized its vital force. The motion was voted down by 288 to 210.

Three days later Mr. Chamberlain addressed 12,000 farmers in the famous riding school at the Duke of Portland's seat of Welbeck Abbey, Nottinghamshire. With the Duke, who presided, were many prominent noblemen. Mr. Chamberlain commenced by declaring that for 60 years they had been living under a system prepared for totally different conditions, supported by promises never fulfilled, and producing results which nobody had anticipated. It was time for a reform. He reviewed at length the condition of agriculture and renewed his proposal for a two shilling per quarter duty on grain of all kinds—with the exception of maize—a duty on flour and a 5 shilling duty upon meat, dairy produce, etc. He pointed out that in France, where the duty on corn is 12 shillings a quarter and on meat twice what he now proposed, the cost of living was less than in England. He concluded with a stirring appeal to the patriotism and love of Empire in the hearts of his audience and the meeting responded by passing a Resolution approving his policy amid great cheering.

At Luton on Oct. 5th an immense gathering was addressed in a building specially erected for the purpose. In his speech Mr. Chamberlain proclaimed his proposed duty on corn to be not a tax, but a toll paid by the foreigner, and his policy to be a shifting of taxation so as to make the foreigner contribute. The Colonies

wanted closer relations and it was now their duty, their privilege and their great opportunity to meet them in this wish. Mr. Chamberlain's last great speech of the year was addressed to the workmen of the East End of London on Dec. 15th, and he came before them in what he described as his favourite character of "Missionary for the British Empire." He hoped the elections would be soon and the sooner the better; described Cobden as opposed to both protection of labour and of trade; declared free trade in goods incompatible with protection for labour; appealed to their local realization of what unrestricted import of immigrants meant and compared this with the free import of cheap and competitive goods; proclaimed higher-priced bread with wages, or better wages, as an improvement upon cheap bread with low wages or none at all; urged organization of the Empire as the great practical policy of the day; quoted Sir Wilfrid Laurier at the Colonial Conference of 1902 as expressing willingness to meet and discuss such proposals; and asked again for another Conference.

The Proposal for another Colonial Conference

Nothing during this period showed the growth of what may be termed Imperialism so clearly as the discussion following upon Mr. Chamberlain's suggestion of a new Colonial Conference.* Hitherto these gatherings, though useful and interesting in their way, had been more or less academic and had not touched the minds of the people. Now, the mere suggestion of one threw a new issue into the political world. It was in the Commons on Aug. 1st that Mr. Chamberlain addressed the Prime Minister and urged him "to consider whether in view of the importance of this question and the primary importance of knowing what it is the Colonies really wish and what it is they are prepared to do, he should not ask them both questions; whether he should not call a Conference from the Colonies to meet and consider this subject." Mr. Balfour did not reply directly to this appeal but refused in his speech to lay down the principle demanded by the Opposition that the country would not under any circumstances impose a duty on food.

In *The Times* of the following day Lord Rosebery wrote a curious letter welcoming "under certain limitations" the proposal for a Conference. It should have been called before and when it did meet should have a basis for consideration drawn up in conjunction with the Colonies. The British representatives should be men of national weight and the Colonial delegates be prepared for disappointment if they desired Great Britain to tax or narrow its supplies of food. Mr. Chamberlain briefly replied by saying that "to suggest a Conference on Preference, while rigidly excluding all reference to taxes on food, would be in present circumstances a childish, and almost an insulting, proposi-

* NOTE—In the 1902 Conference of Premiers it had been agreed to hold these meetings every four years. See *Canadian Annual Review*, 1902, pages 105-115.

tion." Lord Rosebery replied with the intimation that this country "will not tolerate any taxation of its food supply" and that, therefore, a Conference upon such a basis would be useless. A great deal of press and platform comment followed with the bulk of the Unionist and Conservative feeling in favour of the proposal. In a speech at Edinburgh on Oct. 3rd the Prime Minister accepted the suggestion. In his view a condition had been reached upon this fiscal issue in which the only way out was to have a free Conference with the self-governing Colonies and India in order to determine (1) whether those great communities desired a trade and tariff arrangement with the Mother-land, and (2) whether such an arrangement was possible.

> My view, therefore, is that the policy of this party should be, if we have the power after the next election, to ask the Colonies to join in such a Conference and plainly intimate to them that those whom they send shall come unhampered by limitations in this direction or in that direction; but that as a necessary corollary, an inevitable set-off to the complete freedom of discussion, any plan, or, at all events, any large plan of Imperial union on fiscal, or other lines, ought not to be regarded as accepted by any of the parties to the contract unless their various electorates have given their adhesion to the scheme.

Mr. Chamberlain, two days later, welcomed this intimation of policy, but suggested the addition of representatives from the Crown Colonies and deprecated the necessity of a general election or plebiscite in each country to ratify the result of the Conference. He thought the approval of the Legislatures sufficient. On Oct. 28th the annual Conference of the National Union of Conservative Associations approved the proposal for a Colonial Conference and on Nov. 18th Mr. Austen Chamberlain, Chancellor of the Exchequer, appealed strongly to a Unionist gathering for their sympathy with all that it involved. "I believe that on the results of this Conference depends the development of the strength of the British race and the British name in the future history of the world. After all, we are too prone to separate our interests. Our duty is to find points which unite us." In succeeding speeches the late Colonial Secretary urged the idea with enthusiasm and at his East End meeting in London criticized the Liberal position. If the latter party attained power and could make a commercial treaty with some foreign country they would swell with pride and satisfaction; but for him to propose, or a Unionist Government to make, a treaty with their own kinsfolk and best customers was a matter to be deplored in sack-cloth and ashes.

The Liberal criticism of the project was keen and sometimes angry. Mr. H. H. Asquith, at Fife on Oct. 8th, described a long and dragging conflict covering years and various general elections in different parts of the world; the throwing of the vast, intricate, and delicate trade of the Empire into the crucible during this process; and the result of the "preposterous and fantastic scheme" as being impossible to foretell. The Colonies would

give no effective preference; they would preserve their own autonomy and their own protective tariffs. The policy would, he declared, even if successful, prove only a handicap in Britain's hard-run race for trade by increasing the price of food. And then he used the following determined language—important as coming from a Liberal leader:

> We cannot permanently and fundamentally alter the economic conditions of these Islands. We cannot become again what we were in days gone by—a self-feeding and self-supporting community. We depend now, and we must depend increasingly, upon outside sources of supply both for the sustenance of our people and for the materials of our industry. To bar the door against any of these sources is to hamper your industry and curtail your wealth and what, perhaps, is more important than either, but the consequence of both, to unfit yourselves for sustaining, as you do sustain at present, the main burden and the weight of Europe.

At Selby, on Oct. 19th, Sir Edward Grey, M.P., declared that "Empire did not depend upon economic nostrums" and took rather different ground from that of his colleague as above, and even from that of Lord Rosebery: "He would welcome any Conference with the Colonies on Imperial affairs to make them feel that they were partners with us in the management of the Empire, and if they desired it the fiscal question could be discussed. But to call a Conference to discuss this question for the purpose of asking the Colonies to lower the duties on British goods when they had said that they could not afford it would promote friction instead of Imperial unity." Speaking on Oct. 26th Sir H. Campbell-Bannerman took the line that the more Conferences the better. "Have another by all means." And then he continued as follows: "But it must be on some definite subject, and it must be also of such a nature as to exclude all possibility of anyone being misled by it. Any unrestricted preference between the Mother-land and the Colonies would be a farce, would be a fraud upon and a be-fooling of the Colonies, because the slightest consideration shows us that taxes upon food are involved. Mr. Chamberlain himself has said so, and such taxes are wholly opposed at once to the sentiment and the interest of the British people." Four days later Lord Rosebery spoke at Trowbridge and, after referring to the evils of protection and to the preferences given by the Colonies as "free gifts in return for the enormous burden of national defence which falls almost entirely upon the over-taxed tax-payers of the United Kingdom" he quoted Sir W. Laurier as declaring for "absolute freedom, political and commercial, in building up this great Empire." Then followed an unusually direct pronouncement:

> Long before Mr. Chamberlain took up the Empire, or discovered the Empire, I was urging upon my fellow countrymen, with a voice feeble compared to his, that the best way of cementing the Empire was to have Conferences with the Colonies at intervals of four years and, therefore, as the last was in 1902, it seems to me a reasonable thing, as Mr. Balfour seems in no particular hurry, that the next Conference should meet, as it would

ordinarily meet, in 1906, and should then discuss as one of its topics Tariff Reform. If they find that Tariff Reform is possible, and that it will be a real means of uniting the Empire, well and good. If not, the Colonists will not have come so far for nothing, for they will have other subjects to discuss—and before then we shall make quite sure that those who represent the Mother Country in this matter will have received a direct authority and mandate to act on our behalf.

In a meeting at London, on Dec. 5th, however, Lord Rosebery was not so cordial in his support and expressed grave fears as to the future of the Empire when subject to the strain of diverse fiscal needs and clashing cupidities. Incidentally, he referred to Mr. Borden's recent defeat at Halifax as a proof that his advocacy of Preferential trade was not over-popular in Canada.

British Trade Conditions and Tariff Discussions

During May, 1904, the official figures of British trade for the past year were made public and showed a total export of manufactured goods to Foreign countries of £136,970,000 in 1903 as against £142,070,000 in 1899. To British countries the export was £97,817,000 in 1903 as against £77,521,000 in 1899—a gain, in Canadian currency of $100,000,000 to the Colonies and a decrease of $25,000,000 to Foreign countries. In other words the total export of manufactured goods increased 7 per cent. while Foreign countries decreased their consumption by 3½ per cent. and British countries increased theirs by 26 per cent. On the other hand the total of imported manufactured goods increased from £128,300,000 in 1900 to £134,500,000 in 1903. In other directions official statistics showed the population of the United Kingdom in 1901 to have been 41,458,721 with an estimated increase in 1904 of 1,300,000; the acreage under cereal crops in 1903 to be 8,393,000 and under vegetables 4,146,845; the live stock in the country—horses, cattle, sheep and swine—to total 47,223,119; the yield of wheat in 1903 to be 56,000,000 bushels, barley 99,000,000 bushels, and oats 336,000,000 bushels—a total decrease all round of 45,000,000 bushels; the production of coal to be 230,334,469 tons in 1903 valued at $441,137,735. The two following tables are important as indicating the trend of wheat importations into Great Britain:

I. IMPORTS OF WHEAT BY GREAT BRITAIN—QUANTITIES.*

From	1899.	1900.	1901.	1902.	1903.
	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.
Russia	2,518,500	4,478,300	2,541,500	6,540,457	17,176,300
Germany	466,030	1,828,300	594,700	239,910	310,176
Roumania	32,100	756,100	512,100	2,362,453	3,140,727
United States	34,650,643	32,588,470	40,466,300	43,312,561	24,197,895
Argentina	11,368,600	18,524,000	8,080,400	4,315,165	14,120,454
India	8,192,200	6,100	3,341,500	8,841,586	17,057,851
Australia	2,997,430	2,651,600	5,437,700	4,174,723	26
New Zealand	705,600	1,136,600	1,383,100	156,626	204
Canada	5,256,500	6,337,600	6,691,710	9,527,475	10,802,127

* NOTE—From *Daily News*, London, England, Aug. 20th, 1904.

II. IMPORTS OF WHEAT BY GREAT BRITAIN—PERCENTAGES.*

Cereal Year ended Aug. 31.	United States.	Canada.	Russia.	India.	Argentina.	Other Countries.
1895	42·3	4·3	21·5	7·1	13·2	11·6
1896	50·2	6·4	18·9	5·0	6·3	13·2
1897	55·9	6·3	16·6	0.5	1·4	19·3
1898	63·9	7·4	10·4	8.5	4·2	5·6
1899	64·5	9·9	3·3	8·8	7·4	6·1
1900	58·7	9·1	3·0	1·6	19·1	8·5
1901	64·4	7·9	3·6	1·3	11·1	11·7
1902	61·7	10·7	3·0	7·3	4·9	12·4
1903	48·6	12·6	12·3	10·7	10·6	5·2
1904	25·7	10·4	6·1	19·3	14·6	13·9

The fluctuations thus shown were of considerable interest to fiscal reformers and students. Meanwhile, the political leaders had been discussing, or rhetorically evading, the various phases of the fiscal problem as presented by Mr. Chamberlain. The Liberal or Free Trade speakers such as Sir H. Campbell-Bannerman, Mr. Asquith, Sir E. Grey, Mr. Morley, Mr. Bryce, the Duke of Devonshire, Lord Goschen, Lord G. Hamilton, Mr. Winston Churchill, and Lord Hugh Cecil dealt frequently and persistently with the idea of higher prices and the "little loaf"; dependence upon Colonial sympathy and affection solely for any closer union; the necessity of a home policy and a strengthening of the race at the heart of Empire by plentiful and cheaper food; the need of wise local legislation, economy and lower taxation. Of the Unionists and Conservatives, Lord Lansdowne, Mr. Lyttelton and Lord Selborne supported Mr. Chamberlain with more or less directness.

On Jan. 12th Mr. Balfour expressed at Manchester his belief that, for the present, "a closer organic and constitutional union with the Colonies was impracticable" and that such a union "must be looked for in the direction of fiscal union" and, perhaps, in matters of defence. To Mr. Morley at Arbroath, on Jan. 18th, the keystone of the whole arch of this "new policy of restriction" was the increase in the price of goods. To the Duke of Devonshire at Liverpool, on the next day, the protective taxation of food meant that the bulk of the taxation from grain would be paid to the Home or Colonial producer of grain. In the *Daily News* of Jan. 21st appeared a most vigorous attack upon this "protectionist propaganda" by the Bishop of Hereford (Dr. Perceval) from which the following is an extract:

> It appeals to the lower and baser motives, and will be the nurse of antagonisms, jealousies, rivalries, vested interests, industrial monopolies, selfish warfare in trade and industry, both as regards our relationships with one another here at home, and with our Colonies and with Foreign Countries. It will corrupt and debase our public life by the cabals, in-

* NOTE—Compiled by *The Chronicle* (Insurance and Finance), Montreal, Jan. 13th, 1905.

trigues, and lobbying which are found to be inseparable from such a system of preferences, retaliation, and protective tariffs. It will go far to hand over our industries and our commerce to the baneful influence of trusts, combinations, monopolies, and corners—engineered by unscrupulous capitalists and speculators working in secret places.

Speaking at Bristol, on Jan. 20th, Sir Gilbert Parker made a point in favour of the Preference policy: "One thing was certain, if we did not make Canada and Australia our granary, we would pay more for our bread seven or eight years from now whether we liked it or not. The United States was now using up three-quarters of her own wheat supply, and her population was increasing two million a year. She was producing 100 cwt. less per 100 of her population than she did 15 years ago. The end of this must be dearer food for England unless we could vastly stimulate the growth of corn in our Empire." At Leicester, on Feb. 28th, he stated that recently-issued official figures proved that protection had not raised the price of food in the United States, Germany, or France. In Germany, beef, mutton, pork, eggs, milk and butter were cheaper than in England while the German also had the advantage in rent, fuel, light and clothing.

The much-discussed question of a Colonial offer of increased preferences to meet Mr. Chamberlain's proposal was discussed in the House of Lords on Mar. 3rd when the Duke of Marlborough quoted from the Canadian blue-book of the Conference of 1902 and Lord Lansdowne declared that he had looked into the matter carefully and that it was "impossible to come to any other conclusion" than Mr. Chamberlain's claim that such an offer had been made. On Mar. 9th the Association of Chambers of Commerce of the United Kingdom voted down a limited approval of Retaliation by 58 Chambers to 45 and carried a Resolution instead, declaring "that Great Britain has just cause of complaint of certain restrictions and unfair arrangements directed against the commerce of the Empire, and that the Chambers of Commerce would support His Majesty's Government in measures of negotiation, but urge the Government to appoint a Royal Commission to investigate and report on the whole fiscal policy of the nation."

In the House of Lords five days later, Lord Lansdowne declined on behalf of the Government to appoint a Commission of Inquiry into present trade and tariff conditions, on the ground of its probable long duration and inconclusiveness. At a meeting of the British Empire League Council on May 4th the resignation of the Presidency by the Duke of Devonshire, K.G., was accepted and the Earl of Derby, K.G., (so well known in Canada as Lord Stanley of Preston) was elected in his place. The annual meeting of the League took place on July 15th with addresses by Lord Derby as Chairman, Sir W. H. Holland, M.P., Lord Balfour of Burleigh, Mr. G. R. R. Cockburn of Toronto, Canada, and others. In July a first Report of Mr. Chamberlain's Tariff Commission dealt with the "Dumping" in Great Britain of surplus products

from the highly-protected home markets of the United States and Germany and declared the only remedy to be a system of tariffs arranged as follows:

1. A general tariff consisting of a low scale of duties for Foreign countries admitting British wares on fair terms.
2. A preferential tariff, lower than the general tariff, for those Colonies giving adequate preference to British manufactures and framed for securing freer trade within the British Empire.
3. A maximum tariff consisting of comparatively higher duties but subject to reduction by negotiation to the level of the general tariff.

Many of Mr. Chamberlain's conclusions were maintained and proven in this most elaborate Report—signed by 57 out of the 59 Commissioners. On Sept. 20th Lord Rosebery addressed a great meeting at Lincoln with Mr. R. W. Perks, M.P., in the chair and argued at length against the claim that an offer of Preferential tariffs had come from the Colonies. He ignored the existing Preferences and eliminated the Conference pledges of 1902 by the simple process of quoting and criticising the subsidiary suggestions made on that occasion as to a preference being granted the Colonies in Great Britain. To him, also, the silence of the Dominion Parliament in this connection was "rather ominous."

In his Preface to a book published about this time on "Canada and the Empire" Lord Rosebery took the ground that the Tariff Reform policy would interfere with the fiscal independence of the Colonies, urged people to visit and understand the Colonies and deprecated the taking of public opinion from London papers largely favourable to Mr. Chamberlain. At Glasgow, on Dec. 5th, the same Liberal leader talked of the historic Peterloo troubles with 80,000 Lancashire men demonstrating against protection—"no Corn Laws" on one side of their banners and a bloody dagger on the other—and declared these to be the forces with which Chamberlain and Balfour were trifling. Under protection interests grow up which stick at no weapons and no means. "They corrupt constituencies; they corrupt municipalities; they corrupt Parliaments." The following is a summary of Resolutions, etc., presented to the British Parliament upon this subject during its 1904 Session:

Feb. 8th. By Mr. John Morley in House of Commons. Defeated on Feb. 15th by 327 votes to 276.

"But it is our duty, however humbly, to represent to Your Majesty that our effective deliberation on the financial service of the year is impaired by conflicting declarations from Your Majesty's Ministers. We respectfully submit to Your Majesty the judgment of this House that the removal of protective duties has for more than half a century actively conduced to the vast extension of the trade and commerce of the realm and to the welfare of its population; and this House believes that, while the needs of social improvement are still manifold and urgent, any return to protective duties, more particularly when imposed on the food of the people, would be deeply injurious to our national strength, contentment, and well-being."

Feb. 18th. By the Earl of Crew in House of Lords. Rejected on Feb.

19th by 98 votes to 47. "That no duty upon imports into the United Kingdom from Foreign countries or from British Colonies and Dependencies should be imposed, modified, or removed, without the formal consent of Parliament in each such proposal."

Feb. 19th. By the Marquess of Salisbury in House of Lords. Carried as an Amendment to above motion:

"This House, while affirming the constitutional doctrine that all fiscal arrangements of this country must be subject to the full and effective control of Parliament over taxation, is not prepared to lay down rules for the guidance of future Parliaments as to the exact method in which such control should be exercised by them in cases which may hereafter arise."

May 18th. By Mr. A. W. Black in House of Commons. Defeated by 306 votes to 251. "That this House, believing that the protective taxation of food would be burdensome to the people and injurious to the Empire, welcomes the declarations of Ministers that the Government is opposed to such taxation." Amendment by Rt. Hon. Mr. Wyndham carried expressing "continued confidence in the present Administration."

July 22nd. By the Duke of Devonshire in House of Lords. Calling attention to the attitude and declarations of certain members of the Government in relation to fiscal policy and asking to what extent the Government proposed supporting Preferential tariffs including the imposition of import duties in food. No Division.

Aug. 1st. By Sir H. Campbell-Bannerman in House of Commons. Rejected by 288 to 210. "That this House regrets that certain of His Majesty's Ministers have accepted official positions in a political organization which has formally declared its adhesion to a policy of Preferential duties including the taxation of food."

Canadian View of Mr. Chamberlain's Policy

Canadian opinion simmered down during 1904 to a generally favourable view of Mr. Chamberlain's proposals—outside of certain circles in Quebec; much popular approval of the statesman personally; a pretty general disposition to await events and act when the time should come; a widespread belief in the coming defeat of Mr. Balfour's Government and a period in Opposition for Mr. Chamberlain with, however, ultimate success for his policy. Parties did not divide seriously on the issue though the Conservatives were the most cordial and where there was cold-water thrown it was in Liberal or French-Canadian circles. In the House of Commons, on Mar. 15th, Mr. T. Chase Casgrain spoke on the subject as follows: "Mr. Chamberlain's proposal is a business proposal. I am not, as my Hon. friend well knows, in favour of curtailing in the least degree any of the privileges or liberties that we enjoy in this country. I am in favour of the greatest autonomy that can exist in this country. But it is not by holding Mr. Chamberlain up to public hatred, or by ridiculing or denouncing him, that we are going to further the interests of Canada. The propositions of Mr. Chamberlain, if they ever materialize in Great Britain, are business propositions." Two other Conservatives—Mr. W. B. Northrup and Hon. J. G. Haggart—followed in strong support of the policy and the latter declared that Mr. Chamberlain represented the opinions and wishes of nine-tenths of the people of Canada. Speaking in the House on June 14th Mr. R. L. Borden put the situation in these words in reply to the arguments as to possible loss of autonomy, etc.:

> The terror of Imperialism is invoked whenever this question is raised. Well, I would like to know what further danger we run by having a reciprocity treaty with the Mother-Country, which is not a foreign country, than by making a reciprocity treaty with the United States of America? Gentlemen who are very much alarmed at the prospect of reciprocity with the Mother-Country are not afraid to take part in the deliberations of the Commission which sat at Washington. Is there any greater danger in one case than in the other? I would like to know what the danger is? Let us look at it from another aspect. We have given a preference to the Mother-Country. Do we run any greater dangers of Imperialism by receiving a preference in return?

To the *Daily News,* in London, on Aug. 31st the Hon. Mr. Fielding stated that "Canada is practically a unit in support of the principle of Preferential trade." But neither the Government nor the people cared to throw themselves into a British political struggle. Meanwhile, three Provincial Legislatures had taken action. On Feb. 3rd the Conservative Premier of Manitoba moved a Resolution declaring that: "This House strongly commends and endorses the policy advocated by the Right Hon. Joseph Chamberlain, involving certain fiscal changes within the Empire, and is of the opinion that the inauguration and putting into practical effect of such a policy would be of paramount importance and benefit to the people of Manitoba." Mr. Roblin's speech was an enthusiastic and energetic presentment of the policy as it would affect Canada and the West, in particular, and the Empire in general. Mr. T. Greenway moved an amendment approving Mr. Chamberlain's policy and a uniform system of preferential tariffs and declaring that Canada, in order to assist in carrying out the policy, "should be prepared to make such further substantial reductions in the Canadian tariff against British goods as shall ensure to the British manufacturers an enlarged market in Canada in return for a preference by Great Britain upon Canadian food products." Mr. Greenway's speech was not as cordial as his Resolution and included references to Mr. Chamberlain's lost ground in the bye-elections and copious quotation from opponents of his policy. The Hon. Mr. Campbell replied, on the following day, in an analysis of the existing condition of British trade and shipping and a history of the movement generally. He concluded with an earnest reference to the Mother-land:

> We have given to her in her dire need our sons and our money. Bone of her bone, flesh of her flesh, the same blood coursing through our veins, proud of her history, her institutions, and her citizenship; is it any wonder, Mr. Speaker, that we as a Province should desire to see that fiscal policy consummated which will bind us so strongly together that, no matter what the upheaval, the bonds will remain indissoluble?

After brief speeches from Mr. Sampson Walker and the Premier the amendment was lost on a party vote of 28 to 9 and then Mr. C. J. Mickle intimated that the Opposition were willing to vote for the original Resolution which was carried amidst

hearty cheers by a standing vote of the House. On Apr. 7th, in the New Brunswick Legislature, Mr. B. F. Smith, a Government supporter, seconded by Mr. D. Morrison of the Opposition, moved the Resolution shown in the first of the following paragraphs and the Hon. Messrs. Pugsley and C. H. LaBillois (members of the Liberal Government) an amendment shown in the second paragraph. They were both carried without division and constituted a Resolution as follows:

I. Resolved: That this House believes that the adoption of the principle of Preferential trade throughout the British Empire would greatly stimulate commercial intercourse, and by promoting the development of the resources and industries of the several parts, strengthen the Empire; that this House has watched with great interest the progress of the discussion of this question in the United Kingdom, South Africa and throughout Canada and desires to express its hearty sympathy with every effort made to accomplish by constitutional methods the commercial organization of the Empire on the basis of such preference.

II. This House also desires to express its approval of the voluntary action of the Government and Parliament of Canada in extending a preference to the manufactures and products of the Mother-land which was a great stride forward along the line of Imperial unity and afforded most striking proof of the fact that the people of Canada were heartily in sympathy with the movement in favour of inter-Imperial trade preference which, in the opinion of this House, will be productive of most beneficial results not only to the Mother-Country but to all parts of the Empire.

In the Prince Edward Island Legislature on Apr. 18th a Resolution was moved by Mr. J. A. Mathieson, Leader of the Opposition, and seconded by Hon. D. Gordon, his predecessor in that position, stating "that the prosperity of Canada would be greatly increased by a customs arrangement between Great Britain and her Colonies whereby preferential treatment would be granted by Great Britain in her markets to the products of the Colonies and a preferential advantage in the interchange of commodities prevail throughout the British Empire." Mr. Premier Peters (Liberal) objected to the motion as "far beyond the mark" and to the Opposition speeches as not giving due credit to the Ottawa Government for the development of this question. He moved the following amendment:

That Preferential trade within the Empire would tend to unite more closely the Colonies with the Mother-Country and be of mutual commercial and political advantage provided no surrender of the autonomy of the Colonies would result. Further Resolved, that in the opinion of this House the voluntary action of the Canadian Parliament in extending Preferential treatment to the products and manufactures of the United Kingdom was an example of the desire of Canada to promote inter-Imperial trade and unity. And the present fiscal movement in the Mother-Country in favour of Preferential trade is largely due to the action of the present Government and Parliament of Canada.

Captain Joseph Read seconded the amendment and then Mr. A. J. McDonald (Cons.), after regretting that the question had been made one of party politics, moved a further amendment expressing regret that the Canadian Government "while extend-

ing Preferential treatment to the United Kingdom did not endeavour to obtain a reciprocal advantage in the markets of Great Britain for the products of Canada." This was voted down by 14 to 10 and the Premier's Resolution passed on the same division. Other public bodies also discussed the subject. The Board of Trade at Guelph on Jan. 13th and that of Halifax on Mar. 28th passed Resolutions approving Mr. Chamberlain's policy and at the annual meeting of the Maritime Board of Trade at Moncton, N.B., on August 18th, Senator Josiah Wood gave in his Presidential address a strongly favourable review of the movement and its objects. At the important annual banquet of the Canadian Manufacturers' Association held in Montreal on Sept. 22nd the speeches were largely devoted to this topic. Sir Wilfrid Laurier, in speaking, paid tribute to the greatness of the Empire and in answer to the self-put question of how its unity could be preserved said that it was to be found in the "local autonomy and legislative independence of all the constituent parts of the Empire." Upon the trade and tariff problem he spoke as follows:

> Well, sir, for my part, I cannot see that uniformity of tariff is good for the British Empire. The differences of civilization, of climate and production and of conditions make it impossible that you could have in Canada the same tariff as in India, the same tariff in India as in Australia, and the same in Australia as in South Africa. But what is possible, I believe, what is possible is that we can have between the Mother-land and the Colonies treaties of commerce—and the expression is not too strong or extravagant—between the Mother-land and the Colonies, whereby we can sit down and by mutual concessions and by the giving on the one side and on the other of mutual concessions we can develop the trade of Britain and her Colonies to the mutual advantage of all. . . . We cannot have the same tariff in Canada as in Great Britain. What they may have in Great Britain is their own look-out. It is for them to determine what they will have. But when they have chosen their policy it will always be possible to sit down and come to some conclusion, whether by granting concessions, they can still more extend the relations that exist between them.

This view was much discussed in Great Britain, both sides claiming to have the Canadian Premier's support. The Hon. G. W. Ross, in following Sir Wilfrid, took a diametrically opposite view of the procedure. A mutual and perfectly free preference was his policy. "A treaty based upon mutual preference between the Colonies and the Empire would partake of the same dangerous elements of irritation and misunderstanding as a treaty between Canada and the United States." Sir Howard Vincent and the Hon. G. E. Foster also spoke, the former strongly eulogizing the Laurier Government for their Preferential tariff. Meanwhile there had been many deliverances upon the subject not representative of any particular organization or interest. Dr. Benjamin Russell, M.P., lectured on the Chamberlain policy in Halifax and expressed the usual Liberal aversion to any interference with British internal controversies and a strong protectionist feeling as to Canadian manufactures. But

if Mr. Chamberlain could show any means of diverting German or United States trade with Canada to Englishmen—without pecuniary loss to Canadians—everyone here would support his policy. Speaking at Montreal on July 21st Mr. Robert Meighen expressed the unusual opinion that when Mr. Chamberlain succeeded, as he must do, the duties upon Foreign products would be applied to Canada because neither Parliament nor the Government were giving him any aid in his campaign. Addressing St. George's Society in Guelph, on Apr. 25th, Mr. J. Castell Hopkins summarized the policy as affecting (1) Great Britain and (2) the Colonies as follows:

1. It would save Great Britain from the danger of obtaining three-fourths of its food supply from Foreign countries; from the possibility of a great rise in prices in the event of war and the bringing of millions to the verge of starvation; from the present necessity of conciliating United States friendship in order to conserve the people's food supply.

It would give Great Britain a much freer hand diplomatically in dealing with Russia, Germany, France and the United States—the countries that Canada, Australia, South Africa and India are chiefly concerned with. It would enable her to meet more than half-way the preference policies of the Colonies and to make in the future a repetition of such foreign actions as that of Germany toward Canada, impossible.

By increasing the wealth, resources and revenues of the Colonies it would better enable them to aid, in some organized and efficient manner, in the defence of the Empire.

As a result of Colonial aid in defence it would relieve the British taxpayer from some at least of his great and growing burden.

By impressing the unity of the Empire upon Foreign countries it would increase its prestige, enhance its power and by just so much decrease the necessary armament on sea and land.

It would retain the present trade between Great Britain and the Colonies and enormously increase future trade.

It would, as a protective measure, naturally tend to increase home production and the wages of the working-man while keeping down the price of food because of the immense new regions being brought into productive activity in Canada and elsewhere.

It would restrict unfair Foreign competition in the home market and in that of the Colonies.

It would increase British exports to the Colonies without necessarily decreasing exports to Foreign countries whose tariffs, in general, are already as high as they well can be.

2. It would immensely develop vast and rich but now unproductive territories in all the Colonies through increased immigration and settlement, enhanced attractiveness for the investment of capital, and the greater instruction of the people of Great Britain in the resources and capabilities of other British countries.

It would give the British market for $1,000,000,000 worth of food, within a few years, into the hands of the Colonial Empire.

It would, or should, end the question as to the future of these now dependent Colonies and stamp them as British nations through their acceptance of this great community of interest; and consequent further acceptance of that degree of common Imperial responsibility which their self-respect would render imperative and their growing wealth make comparatively easy.

If there was an arrangement for Colonial aid in Imperial defence the Colonial tariff preference in industrial matters need be very slight or only sufficient to transfer their local markets for Foreign goods to British products.

Mr. B. E. Walker, General Manager of the Canadian Bank of Commerce, at the Empire Club, Toronto, on Apr. 28th, reviewed the situation in England and referred to several other important matters which might make for unity. He wanted (1) an Imperial Parliament with Colonial representation, (2) a Supreme Court for the Empire, (3) uniform laws relating to marriage, divorce and capital punishment throughout the Empire, (4) unification of the University system, (5) an Imperial coasting law applicable to all British countries, (6) a load-line for the Empire, a uniform bill-of-lading and system of marine insurance, (7) an Imperial penny postal rate.

Two French-Canadian quotations may be added here. Mr. P. E. LeBlanc, M.L.A., (Cons.), speaking in Montreal on Jan. 12th, argued at length in favour of Preferential trade: "Certain people," he said, "are throwing out cries to scare the people of this Province especially. We hear of Imperialism and Chamberlain. These are stupid and foolish cries. Chamberlain is a great patriot; he is of his country and for his country. He is the greatest man England has had for many years and it would be a good thing for Canada if we had here many Chamberlains. Chamberlain's idea is to make the British Empire self-supporting, to give the people of all its parts access to the Home market, which is the natural market for Canada." To an audience at Woodstock, Ont., on Aug. 8th, the Hon. R. Lemieux, M.P., Solicitor-General of Canada, expressed another view:

> **The people of Quebec are not strongly in favour of Mr. Chamberlain's policy, because they have learned to love British connection, and are happy in the present state of things, and if to-day they are not ready to embark with undue haste in a new venture it is because they are of a conservative temperament. Having acquired some rights and a good many liberties; having acquired a perfect autonomy and fought for responsible government with Wm. Lyon Mackenzie and other Reformers of Upper Canada; they are perfectly happy under the British flag and are afraid of any new venture.**

There was some opposition to the policy during the year, but its expression, at least, was limited in scope and influence—outside of Quebec. Mr. Goldwin Smith was, of course, bitterly antagonistic. Writing to Mr. Harold Cox, on Jan. 22nd, in a letter much quoted by the Liberal press in England, he described Canada's attitude as one of indecision and ignorance and practical indifference. One extraordinary statement must be quoted. "Not a single journal of mark, so far as I have seen, has declared itself." To a special correspondent of the Radical *Daily News* (Aug. 20th), he gave a still more interesting piece of information, prefaced by the statement that in Canada very little open public support "had been given Mr. Chamberlain": "Only two Resolutions, so far as I know, have been passed in support of his policy in this country." In Quebec Mr. H. Bourassa, M.P., and his fol-

lower, Armand Lavergne, M.P., continued a keen and rather clever campaign against "Chamberlainism" and all its works.

At Montreal on Feb. 20th, the former informed a meeting of the Nationalist League, in whose formation he had taken such interest, that Imperialism was not yet dead and claimed that Lord Minto, Mr. Borden and Mr. Tarte did not express the real opinions of Canada. Professor A. Shortt of Queen's University, Kingston, also spoke against the policy at Ottawa (Feb. 26th) and at Chicago on Dec. 30th; while publishing a vigorous pamphlet along economic and political lines of a character familiar to the public in Mr. Goldwin Smith's writings. The only other opposition that need be mentioned was the publication in the Toronto *News* (May 3rd and 7th), of two able papers upon the subject by the Hon. James Young, of Galt, who wrote partly from the British free-trade standpoint and partly upon the curious basis that "the principal argument used by Mr. Chamberlain and his friends is that Canada only asks a trifling preference on a few of her farm products in exchange for freely opening her markets to the manufacturers of the Mother-land."*

The opinions of the press must be very lightly touched here. It may, however, be stated that Conservative papers like the Ottawa *Citizen,* the St. John *Sun,* the Halifax *Herald,* the Winnipeg *Telegram,* the Victoria *Colonist,* the Toronto *Mail* and *World,* the Montreal *Star* and the Rossland *Miner* gave the policy enthusiastic support while it would be hard to name a Conservative paper which opposed it. A great coming conflict in Canada between Chamberlain and closer union on the one side, and Reciprocity, with United States' influence and money on the other, was one view presented; and Chamberlainism as a bonus on Canadian produce at every British port was another. With certain exceptions the Liberal press could hardly be described as enthusiastic. The Montreal *Herald,* on Nov. 1st, published an analysis of the Canadian trade returns and concluded that $27,000,000 represented the total amount which might under a mutual Preferential arrangement be transferred to Great Britain. The Toronto *Globe* published a series of Empire articles by English writers along well-known Liberal lines of thought and with abundance of cold water for this particular policy. On Jan. 25th it had a prominent cartoon illustrating Mr. Chamberlain being kicked into space by Free-trade boots. An editorial on Sept. 24th praised the Canadian Premier's recent reference to autonomy as the basis of union and proceeded as follows in opposition to his idea of a trade treaty:

> Similarly we will get along more safely if we keep ourselves free from all bargains with the Mother-Country. If it suits us to continue and either increase or diminish the preference already granted we are

* NOTE—Though avoiding personal comment as a rule, I cannot resist the temptation to say that I have before me every speech delivered by Mr. Chamberlain since his campaign commenced, and that nowhere does he make such a statement.

free to do so, and Great Britain is equally free to make us a return in kind or not, just as suits her. This is the best kind of relationship to enable the two countries to co-exist in a state of harmony, while anything in the form of a treaty might easily become a chronic source of danger.

Hon. George E. Foster's Advocacy of Preferential Trade

Following upon his campaign in England during 1903 Mr. Foster delivered a number of eloquent addresses during 1904 in Canada upon the subject of a mutual Preferential tariff system within the Empire. The first was at Halifax, on Jan. 25th, when a great gathering of people and representatives of every style of political thought were present. Mayor Crosby presided and, after some general references, the speaker of the evening described his period of work in England as "four weeks of concentrated effort" in the support of the policy which was being unfolded by a master mind—"one of the strongest intellects and the most practised public man possessed by the British Empire to-day." He had tried to aid in preparing the soil and sowing the seed for acceptance of the great principles which Mr. Chamberlain had brought into such immense prominence. Two influences were now at work in the Empire; one from within, bringing their different countries together in connection, in thought, in sympathy, in appreciation of their common kinship, inheritance, pride and allegiance; one from without to be found in the rivalry and competition of great foreign powers and commerce and industries. And so there had arisen the movement of consolidation and that special feature of it embodied in Mr. Chamberlain's policy.

The essence of this was the family spirit and family treatment of each other in trade matters. Mr. Foster then explained the position of parties in Great Britain; the united hostility of the Liberals and Radicals to either preference or protection; the support of Mr. Balfour and one wing of the Conservatives to retaliation against fiscally-hostile nations and their practical repudiation of free trade; the enthusiastic support of Mr. Chamberlain and another wing of the same party for preferential tariffs and their practical adhesion, also, to the protective idea. He went on to explain the process by which the British individual or corporation, standing alone, was now pitted against the Foreign individual or corporation, backed up by the State; and by which the British artisan, or producer, or manufacturer was meeting his Foreign competitors upon equal terms in the British market without the privilege of returning the compliment by facing his rivals in their own home markets. As to the success of the proposals he felt certain, though it might not be for some time yet. In the coming British elections there were considerations such as the War Commission, Army Reform, the Irish question, the Liquor problem, and the Education question, to distract attention and support from Mr. Chamberlain. But he would win in the end. Mr. Foster then inquired as to Canada's interest in this question:

I think she has, and I think the other Colonies have, a great interest. In fact, it is largely a question which has come, in the preferential point of view, from Canada and the Colonies themselves. Consequently, they will have great interest in it. Some one would suppose that a Canadian going before a British audience, and taking part in a question which they themselves were being asked to decide, would be looked upon as being a little impertinent, but I never found it looked upon in that light. To be announced as a Canadian to speak before a British audience was an open entrance into the good feeling of the audience before whom you spoke. Although it was not stated as an argument, it was their idea, you could see, that if we are glad to have Canadian soldiers in our war in South Africa to defend British institutions we are glad to hear their views upon this question which has something in it for the Empire, something in it for the Colony as well.

The matter had originated in the Colonies. Resolutions were passed at the Intercolonial Conference of 1894 at Ottawa; the subject was somewhat of an issue in the Canadian elections of 1896; the Laurier Government inaugurated a one-sided Preference in 1897; the London Conference of Premiers in 1902 had passed a Resolution asking for a British preference; South Africa and New Zealand had since followed the Canadian example. Then came Mr. Chamberlain's support of this Colonial policy, his retirement from the Government, and his great fiscal campaign. "It seems to me it puts every Canadian and every Colonist on his honour to stand by Mr. Chamberlain and support him to the best of their ability in order that he may in this great fight gain what they have declared to be an inestimable boon for the Colonies and a great good for the Empire as a whole." After a rhetorical castigation of Mr. Charlton for his advocacy of Reciprocity with the United States and a concise treatment of the reasons why Canada should not even consider such a policy, Mr. Foster went on to declare that we should join Great Britain and the other Colonies in one immense compact which would vitalize each other's industries and develop each other's resources.

If to-morrow the cable announced that Great Britain had determined to put that policy in force and to give us a preference over foreign nations it would send such a wave of confidence and hope through this country as we have never yet experienced. We would have the assurance of a privileged and preferential entrance into the finest and the most enduring market in the world. We would have that which would never be taken away from us by any mere whim. No hostile rivalry would ever cut the connection, and we could go on increasing our production with confidence in a market assured to us against any outside competitors. What would that do for our country? It would stimulate production and it would do what is even better and more necessary for us—it would add to our population.

As a direct result of such a trade arrangement would come a Colonial partnership with Great Britain in which British pluck, wealth, and enterprise would build up the countries included in the union and where profits from production and manufacture, export and import, would ensue to British peoples and not be

divided with those of competitive or hostile nations. A Resolution endorsing the proposals and work of Mr. Chamberlain was passed after being spoken to by Dr. R. C. Weldon, K.C., Mr. R. L. Borden and the Hon. J. W. Longley. The last-mentioned gentleman wrote the Halifax *Chronicle,* two days later, explaining his approval, as a Liberal, of what he defined as Mr. Foster's four propositions: (1) That Great Britain has reached a stage when she must adopt some kind of fiscal retaliation; (2) That both political parties in Canada had now accepted protection as the basis of their policy; (3) That Canada would be benefited by a policy of Preferential trade; (4) That this was more desirable for Canada than Reciprocity with the United States.

At St. John, on Jan. 26th, Mr. Foster had a splendid audience with Mayor W. W. White, presiding. His speech was very similar to the Halifax one, but he made the interesting statement that in one of the London banks there were funds enough now deposited to carry on Mr. Chamberlain's tremendous agitation for another two years. A Resolution endorsing Mr. Chamberlain was cordially passed as was done also at Moncton, N.B., on the 27th and at New Glasgow, N.S., on the 28th where Mr. Foster addressed large audiences in a similar vein. At the Canadian Club, in Toronto, on Jan. 6th (with Mr. Tarte); at a National Club, Toronto, banquet on the following night; at a Board of Trade banquet in Berlin, Ont., on Feb. 9th; at a British Empire League meeting in Toronto, on Mar. 1st; and at the St. George's Society dinner in Hamilton on Apr. 22nd; Mr. Foster spoke eloquently upon this subject and the more general one of Empire conditions and unity.

Australian Opinion of the Chamberlain Policy

Mr. Chamberlain and his campaign received many public expressions of approval from Australia during the year. At the close of 1903 the Hon. Mr. Deakin, who was then Prime Minister (Dec. 30th), cabled Mr. Chamberlain on behalf of his colleagues and the people of Australia an invitation to pay the Commonwealth a visit at the earliest opportunity. He referred to the Preferential Trade Leagues which were being formed in Sydney and elsewhere, to the Imperial nature of the issue raised, and to the necessity for a convincing exposition of the policy in Australia. "No one could so effectually impress upon our citizens broad views of the beneficial influence of those closer commercial relations which it is your aim to establish between the several parts of the Empire; making for their development and the stability of the whole. You would also acquire personal knowledge of our resources and circumstances that must naturally reinforce your policy and promote its practical application in our case." In his reply Mr. Chamberlain expressed grateful appreciation, recognized the value and pleasure of such a visit to himself and, at a future time, which he hoped was not far distant, would avail himself of the invitation. Meanwhile, how-

ever, until he had received his mandate from the people of the United Kingdom to weld together the Empire which was their common heritage, his duty lay at home. In the Melbourne *Argus* of Jan. 9th following, there appeared a long letter from Mr. B. R. Wise, K.C., Attorney-General of New South Wales and a well-known free-trader, from which this extract is of interest:

> A unique opportunity is now being offered to us for binding the Empire together by new and advantageous ties of commerce of which the political advantages are so incalculable that, if it be necessary to make some inroad on the economic principle of free imports in order to obtain them, such a sacrifice is worth the making. . . . I believe that there are two clear cases in respect of which the economic argument must yield to the political: (1) The necessity for national defence (compare the saying of Adam Smith, 'Defence is of more importance than opulence,' by which that father of free-trade justified the Navigation Laws); and (2) the possibility of Imperial union.

On Jan. 16th a meeting at Newcastle, N.S.W., attended by 3,000 persons, passed a Resolution heartily endorsing Mr. Chamberlain's policy. Speaking to the Halifax *Herald* of three days later the Hon. Henry Copeland of New South Wales declared the Australian people, generally, to be in sympathy with the Preferential proposals. On Feb. 24th the Hon. Mr. Wise addressed a meeting at Sydney, N.S.W., and made the following statement: "If Australia got no more than one-fifth share of the trade now done by England with foreign countries in dairy produce and cereals, she would be able to give employment to more than 200,000 persons, additional, upon the land. Foreigners were ousting British merchants from their trade with the Commonwealth, and if the Commonwealth gave a preference to British trade, he anticipated that within the next year there would be an immediate gain to British traders of between seven and eight million pounds represented by increased freight earnings and increased sales of British produce." The same gentleman, with Mr. J. S. Larke, a Canadian Commissioner in Australia, spoke four days later at a meeting in Sydney of the Preferential Trade League of Australia.

On Mar. 2nd the Speech from the Throne to the new Parliament (the general elections occurred in December) included the following reference to the subject: "The Preferential trade proposals now engaging the attention of the people of Great Britain will, if approved, secure to us an immense and reliable market. My advisers are pleased to note the cordiality with which these are generally regarded in this country, and are confident that the feeling will be strengthened when the statesman who is their author is able to visit us." During the ensuing Session the subject was occasionally discussed. The Premier (Mr. Deakin) told the House on Mar. 3rd that the Government were prepared to alter the present tariff in favour of Great Britain and to make sacrifices, if necessary, in order to secure a reciprocal Prefer-

ence. The Labour Leader (Mr. J. C. Watson) on the following day stated that he was in hearty sympathy with the idea of a mutual Preferential arrangement but he would not consent to re-open the question until proposals had come from the Mother-land. Mr. G. H. Reid, the Free-trade and Opposition Leader, expressed his view at North Sydney on Mar. 14th: "There was nothing in it until the people of England altered their policy." Then he would, if unable to establish a purely revenue tariff, use every effort to make the return to Great Britain a genuine one. At the annual meeting of the Sydney Chamber of Commerce, on July 28th, the President, Mr. G. S. Littlejohn, delivered a generally pessimistic address as to business, politics, legislation, etc., and declared, in passing, his unhesitating belief that Preferential trade arrangements such as were suggested would be "contrary to the interests of the Commonwealth and I do not believe will ever be accepted." In an interview with the *Times* correspondent on Aug. 4th Mr. Watson (the new Prime Minister) expressed himself as follows regarding the proposal for a Conference:

As regards Australia, I think a Conference is not needed until Great Britain decides to adopt the principle of preference. The last elections made it clear that Australia favours the principle, and when Great Britain agrees I hope for valuable results from a Conference laying down the general lines of mutual preferential tariffs before the separate Legislatures discuss the details. For the present, Australia awaits the Mother-Country's decision.

In Parliament, on Sept. 7th, the third Premier of the year, Mr. G. H. Reid, stated that his Government in Preferential tariff matters would follow the attitude of the Deakin and Watson Ministries which had been approved by the electorate, and wait until some definite proposal was submitted by the Imperial Government. It would be received in a fair and honest spirit but, personally, he believed that the declared opposition of the British Government to any tax on food was a just and statesmanlike attitude. A week later he stated that the above-quoted remarks by Mr. Watson represented his view of the Conference matter. Speaking at Ballarat, on Sept. 26th, the Hon. Mr. Deakin quoted Sir W. Laurier's recent reference to a trade treaty and thought that perhaps the time was near at hand for taking the question of Preferential relations "in a broad and general fashion into consideration." The Hon. Mr. Watson told the press on the following day that the time had come to make the people of England understand clearly that Australia favoured Mr. Chamberlain's proposals and was willing to make a practical return. Lord Rosebery's recent speeches made such action desirable. On Sept. 28th the Hon. Mr. Isaacs made the following statement as to the opinions of the small party led by him:

The Liberal protectionists are fully aware of the importance of Preferential trade. To them it represents something more than a policy.

It is a faith in itself. Its accomplishment would be a tremendous achievement for this country and the Empire. Until just lately we were reluctantly content to wait for some further developments in England, because we considered the well-known views of those who held the leadership of this country to constitute some guarantee to the British people that we were anxious for fair reciprocity. The position now is, however, entirely changed. What we feared has apparently happened. The present free-trade Prime Minister's utterances on this question of Preferential trade, if allowed to pass, will quite justify the jeers of Lord Rosebery, the Leader of the free-trade Liberals in England, on the attitude of the Colonies, as far as Australia is concerned.

On Sept. 29th the Hon. Mr. Watson "emphatically" reiterated his views in the press as to the opinion of the Australian people being in favour of this policy. At the same time he deprecated the Labour leaders' attitude in England. Meanwhile invitations to visit Australia had been pouring in on Mr. Chamberlain—from the N. S. W. Chamber of Manufacturers, the United Chambers of Manufacturers of the Commonwealth, the Mayor of Adelaide, the South Australian Chamber of Manufacturers, etc. Interviewed on Oct. 2nd Mr. Deakin deprecated the British Labour references to the policy of Preference as "sordid" and said: "I am sorry to notice Mr. Burns' reference to this agitation as being based upon 'sordid considerations.' In Australia, as our markets have been steadily passing into the hands of foreign manufacturers, it is a very practical consideration for the British workman how he can retain them. We would not style him sordid because he desires to preserve his profitable trade with us. The proposal is not that Great Britain should give us something for nothing out of charity. We believe that we have a market already valuable to the Mother-Country, which can be made much more valuable to her." The Australian market could and would be made much more important to Great Britain.

Speaking to the press in London on Oct. 4th Sir Horace Tozer, Agent-General for Queensland, declared the Colonies quite ready to discuss fiscal re-arrangements with Great Britain, and approved the proposed Colonial Conference as a project which might result in great good to the Empire. In Australia itself the newspapers and public men approved the latter proposal as a whole but subject to conditions which Mr. G. H. Reid, the Prime Minister, clearly outlined on Oct. 6th: "There is no one in Australia who is not perfectly ready to respond to an invitation to a Conference regarding matters of Imperial concern. Whatever Ministry is in power, and whatever one's individual views may be, the whole question of Preferential trade hinges upon a reversal of the fiscal policy of the Mother-Country. The possible date of the meeting, however, is too distant to admit of the discussion of details at present." Three days later, Mr. Watson, the Labour leader and ex-Premier, was equally explicit on these points. "My belief is that an overwhelming majority of Australians favour preference on grounds of mutual trade advantages." He thought a gen-

eral election in Great Britain would be advisable before the Conference was held.

On Nov. 17th a great public meeting was held at Melbourne with the two preceding Premiers of the Commonwealth as the chief speakers. Mr. Deakin described the Empire as consisting of a constellation of States whose mutual self-interest pointed in the direction of a National Preference. Mr. Watson saw room on this platform for both protectionists and free-traders and spoke of the manufacturers of Germany and the United States as steadily undermining those of Great Britain in the Australian markets. It was quite possible for them to make valuable concessions in return for a British Preference. A Resolution was adopted declaring that the meeting "cordially approves of Preferential trade regulations between the Mother-Country and Australia having at all times due regard to the industries of the Commonwealth." The Government and Parliament were also urged to take action along these lines. In the House of Representatives, on Dec. 8th, Mr. Deakin, as the Conservative Leader, and Mr. Watson as the Labour Leader, moved and seconded, respectively, the following Resolution:

1. That the encouragement of industry and commerce within the Empire is a high national aim of paramount importance.

2. That the proposals of the Secretary of the Colonies at the Conference in 1902 outline a patriotic and statesmanlike policy of internal development and external influence, the details of which should be discussed at a further Conference to be held at the earliest possible date.

3. That it requests the Prime Minister to consider the existing openings for Preferential trade between Australia and other Colonies;

4. That it invites the Prime Minister to obtain data for the preparation of a measure granting preference to British imports into Australia which compete solely with Foreign imports, and that the Prime Minister is hereby authorized to offer to the United Kingdom preference on exports to Australia in return for preference on our exports to Great Britain and Ireland, such preference to be reciprocally adjusted according to schedules sanctioned by Parliament.

The debate continued at length and the Resolution was supported by Sir William Lyne amongst others. On Oct. 13th Mr. Reid expressed his own view as being favourable to greater aid in the matter of Imperial defence, as doubting whether Australia had much to offer in the way of a preference, as in favour of a Conference and, should Mr. Chamberlain not succeed, of an Australian tariff as nearly as possible a revenue one in its application to the Mother-land. Shortly after this Parliament was prorogued without the Resolution being voted upon. Meanwhile, the opponents of Mr. Chamberlain in England had been following these developments with interest and on Oct. 4th Mr. J. R. Macdonald, Secretary of a Committee of the Trades Union Congress, wrote Mr. Watson, officially, protesting against the proposed protectionist and preferential policy on behalf of the British Labour party and asking him not to support in Australia any interference with the

domestic affairs of England. Mr. Richard Bell, M.P., President of the Congress, sent a similar message.

On Oct. 20th a letter was sent to Mr. Watson, in regard to these protests, signed by over a hundred officers of Labour bodies all over England and declaring that the Trades Union Congress was not representative of the workingmen, and that, in any case, its delegates were uninstructed upon this question. Mr. Watson replied on Nov. 16th to Mr. Macdonald and declared that, while his views did not bind his party, he had expressed himself strongly in favour of Preferential trade at the last general elections; that a majority of the successful candidates at that time were in favour of the policy; that he believed the people in Australia to overwhelmingly favour the principle; that he hoped the citizens of the Empire would confer together on the question; and that he freely admitted the right and justice of Great Britain deciding for herself upon the subject.

Re-organization of the British Defence System

Some exceedingly important developments took place during 1904 in the general system and policy of Imperial defence. On Feb. 7th the seal was placed upon the reconstruction of the British War Office and system of military control by the King's formal appointment of the members of the new Army Council as follows:

The Secretary of State for War,	Rt. Hon. H. O. Arnold-Forster, M.P.
1st Military Member.....	Lieut.-Gen. the Hon. Sir N. G. Lyttelton.
2nd Military Member	Major-Gen. H. C. O. Plumer, C.B.
3rd Military Member	Major-Gen. C. W. H. Douglas.
4th Military Member	Sir J. Wolfe Murray, C.B.
Civil Member	The Parliamentary Under-Secretary of State, the Earl of Donoughmore.
" "	The Financial Secretary, Mr. W. Bromley-Davenport, D.S.O., M.P.
Secretary.....	The Permanent Under-Secretary of State for Colonel Sir E. W. D. Ward, K.C.B.

In March the final Report of the War Office Reconstruction Committee—Lord Esher, Admiral Sir John Fisher and Colonel Sir G. S. Clarke—was made public. It was a detailed sketch of the duties in the different divisions of Army government as now proposed and was followed by the appointment of H.R.H. the Duke of Connaught as Inspector-General and the retirement of F.M. Earl Roberts from the now-superseded position of Commander-in-Chief. It is interesting to note here, in connection with the Dundonald controversy in Canada, that Lord Lansdowne defined the distribution of authority under these changes in the House of Lords on June 21st as follows: "With regard to the position of the Secretary of State, there is a certain amount of ambiguity in the language of the Report of the Esher Committee. But it is certainly our intention that nothing in these new arrangements should in any way derogate from the responsibility which belongs to the Secretary of State as a member of the Cabinet and a Min-

ister of the Crown. He will not be merely one member of a Board, with several colleagues, but he will be like the First Lord of the Admiralty, in a position of well-defined and assured superiority."

In May an important document was made public in the Report of the Royal Commission on the Militia and Volunteers. It was the first official enunciation and endorsation in England of the principle of compulsory military service and the majority document was signed by the Duke of Norfolk, the Duke of Richmond and Gordon, the Earl of Derby, General Lord Grenfell, Mr. Spenser Wilkinson and two others. Sir Ralph Knox submitted a minority Report declaring the Navy to be the main element in British defence. Meanwhile Mr. Arnold-Forster had been developing his scheme of Army reform to follow upon the War Office changes. It was presented to Parliament on July 14th and included the division of the Army into two sections—one for general service and the other for special service in time of important war only. A small striking force of 15,000 men was to be kept ready for the front at shortest notice; the battalions were to consist of 500 men and 20 officers permanently attached; the physical standard of the Militia was to be raised to that of the Line; the Volunteer force was to be reduced in strength to 200,000 and divided into classes—one highly efficient with a higher financial grant and the other less efficient with a lower grant; Rifle Clubs were to be aided. The total number of men to be voted was 227,000 including the permanent garrison in South Africa of 21,500.

Towards the end of the year, preceded by many inaccurate statements in despatches to Canada and by various unreasonable and baseless conclusions in the Canadian press; and followed by the regrettable absence of exact data or re-publication of the terms of the scheme in the Canadian newspapers; there was made public in Great Britain the policy prepared and propounded by Lord Selborne, First Lord of the Admiralty, for the future distribution and mobilization of the British fleet. The changes proposed were to effect (1) a strategic redistribution of the Fleet for war purposes; (2) the formation of a premier squadron for Home service; (3) the change of the Channel into an Atlantic Squadron; (4) the withdrawal of all obsolete ships; (5) the reduction in the Commission of ships from three to two years; (6) the establishment of three reserve flotillas at the Home bases; (7) the establishment of an emergency squadron and of six powerful cruiser squadrons; (8) the decentralization of repairing work. These new Fleets were to be apportioned, respectively, to the British Channel, with a base in the Home-ports, to the Atlantic with a base at Gibraltar; to the Mediterranean with a base at Malta; to the Eastern Seas, including India and Australia, with a base in China. The Particular Service Squadron was to have its base at Devonport and North America as the zone

of its duties. To each of these fleets one of the new Cruiser Squadrons was to be attached while the Cape of Good Hope was to have one of the latter alone.

Lord Selborne declared these changes (Nov. 29th) to be "with a view of making the fighting efficiency of the British Fleet complete and instantaneous on a declaration of war"; expressed the hope that they would realize the Admiralty ideal of the peace distribution of the fleet being also its best strategical position for war; and trusted that the mobilized ships, under this new order of things, would be found in as fit a condition for war as the commissioned ships. Associated with this naval re-organization was a military re-arrangement under which a similar strategical redistribution of forces on land was to be carried out. One of these changes was in the withdrawal of regular troops from various coaling stations and colonial ports and the placing of the ports in the hands of the local defence forces with primary protection from the Navy at sea. Battalions were to be withdrawn under this plan from St. Helena, Barbadoes, Bermuda, Halifax, Ceylon, Singapore, Jamaica and Mauritius. In an official announcement on Aug. 5th the War Secretary estimated a considerable yearly saving through this withdrawal of some 4,500 troops. His total saving upon the scheme of which this was a detail he estimated at $7,300,000. These various changes—naval and military—were expected in colloquial phrase to "loosen up" the Fleet and make it more modern in its defence functions and possessed of greater striking power in action. The Military forces of the Empire, with the local re-organizations under way in Great Britain, Canada and Australia, were expected to presently assume a shape in which the total strength would be 1,252,000 men.

Canadian Opinion of the Imperial Arrangements

To the Dominion these changes were of considerable importance. Upon the fortifications of Halifax and Esquimalt there had been heavy expenditures of British money for many years past—estimated in the former case at $1,025.000 and in the latter at $220,000 a year of which Canada paid a portion. The cost of maintaining the garrisons was, of course, the chief part of the current expenditure and, at the close of 1904, the men were numbered as follows:

	Artillery.	Engineers.	Infantry, etc.
Halifax	531	171	1,076
Esquimalt	212	109	35
Victoria	212	150	30

Halifax with its fortifications, observatory stations, harbour mines, heavy and expensive guns and other elements of defence had become one of the great fortresses of the Empire. So in a lesser degree with Esquimalt. At the Colonial Conference of 1902 the Canadian Government had offered to undertake the

control and maintenance of these defences but nothing appears to have been even suggested as to a return for the many millions of pounds sterling invested in their construction at the cost of the British tax-payer. The limited proposal was not accepted then but would seem to have been kept under consideration. Now, toward the end of November there were all kinds of cabled rumours and conflicting comments in the Canadian press as to the "abandonment" of these points of defence. In the Montreal *Star*, of Nov. 30th, appeared a cable about "the withdrawal of British naval protection from Canada as Gladstone withdrew military protection 40 years ago." In the Toronto *Globe* of Dec. 7th appeared another stating that in the proposed re-arrangement of the vessels there would only be two left to guard the whole North American coast. Grave editorials were published stating that Canada was being punished for not taking up her share in the cost of Empire defence whilst United States correspondents and papers, with an occasional Canadian echo, revelled in these rumoured changes as indicating one more step toward the loosening of Imperial ties.

For much of this necessarily vague comment the blame seems to rest upon lack of consultation and co-operation between the two Governments. The proposed changes do not appear to have been confided to the Canadian Government or, if so, the latter did not advise the people of the Dominion regarding the matter. Hence, at first, some very wild conjectures and conclusions. In the course of a week or two, however, information dribbled over the cables and by the end of the year the press, at any rate, had pretty well made up its mind that the Canadian Government must assume charge of the defences at Esquimalt and Halifax and thus indirectly contribute something to the Imperial naval expenditures which had been estimated at $184,000,000 for the current year. Some discussion was caused by the proposed closing of the dock-yards. At both Halifax and Esquimalt it involved the throwing of hundreds of men out of employment and the loss of considerable money spent yearly upon supplies, etc. Talk was also heard in Victoria as to the terms of Union with Canada under which it was pledged that "the influence of the Dominion Government will be used to secure the continued maintenance of the Naval station at Esquimalt" and action along this line was urged. Speaking upon the general question of Naval arrangements to the press, on Dec. 17th, Lieut.-Col. G. T. Denison said:

> **It will not mean the loss of any protection. I do not see why the Imperial authorities should keep a fleet or fleets along our shores for us. If we want it we should be prepared to pay for it, either by keeping up ships as Australia does, or making a contribution towards the up-keep of the Navy. But, whether we pay or not, if we want naval protection it is far better for us to have the Imperial navy massed in home waters than to have a small fleet out here. Then, in case of trouble, the entire strength of the Navy could be massed wherever it was found that the most effective blow could be struck.**

As to the proposed removal of the troops the *Globe* on Dec. 8th was pretty explicit: "National self-respect demands that the Canadian people shall not be indebted to the Home Government for the maintenance of any soldier on the soil of Canada. Self-government must be accompanied by self-support."

Canada and the General Defence Problem

During the year the Defence question assumed various forms of discussion in Canada apart from the important event at its close just referred to. The appointment of Sir F. Borden to the Imperial Defence Committee was not widely debated and apparently considered a mere matter of advice which, as one paper put it, is always cheap and abundant. The suggestion put forward at the meeting which the Minister attended in London, late in 1903, that a Canadian Regiment might be sent to India for permanent duty was not entertained and the Government's position in the matter was expressed, no doubt, at the Canadian Club in Ottawa, on Jan. 11th, when the Minister of Militia said: "In my opinion our Permanent Force is altogether too small at the present moment to take the matter up. Moreover, we have so many other things of urgent importance in connection with the development of our defence that call for priority of consideration that the suggestion will have to remain in abeyance until these affairs are in a more advanced state." He went on to describe the conditions under which a Colonial Minister should attend meetings of the Defence Committee and limited the subjects for his consideration to those affecting his own country while acting under instructions from his Government as to any specific policy. The occasions for holding such meetings were indicated as follows:

(1) When an important matter affecting the military forces of a given Colony are at issue.
(2) If a Colony were attacked from without, and aid from the Mother-Country was necessary.
(3) If the Mother-Country were involved in war and a Colony decided to come to her assistance.

Sir F. Borden also spoke of the lack of trained officers in Canada; of Mr. Arnold-Forster's offer of some places in the Staff College for Canadian officers; and referred to the Regiment in India idea as emanating from the Secretary of State for War. "I had never dreamed of the thing." It was proposed as a means of training Canadian officers and men in active service without cost to Canada. Then came the Dundonald difficulty and the Militia Act which combined to do away with the British Officer Commanding the Militia. An incident of some significance in this general connection was a telegram addressed on Feb. 11th to the Government by the Rev. E. A. McCurdy of Halifax and on behalf of the Presbyterian Church in Canada. He detailed the names and addresses of ten Canadian missionaries in Corea and asked that the necessary steps be "immediately taken to

secure protection for them and for the Church property" at the places mentioned. The Hon. R. W. Scott, Secretary of State, replied on the same day: "As requested, I have cabled British Minister at Seoul to protect Missionaries and Church property at places named in your telegram." Needless to say the protection was provided and a British man-of-war was specially sent to the nearest sea-port to convey the Canadians to Hong-Kong. Speaking at the Paardeberg Dinner in Ottawa, on Feb. 28th, Lord Minto paid a tribute to Sir F. Borden as Minister of Militia and expressed the belief that the fight they were commemorating would not be the last Imperial battle shared in by Canadian troops. In the House of Commons on Mar. 15th the Hon. J. G. Haggart (Cons.) declared that "we, on this side of the House, believe that Canada should do her share for the defence of the Empire." He included in this both internal and external defence. Mr. E. D. Smith (Cons.) was more definite and wanted a beginning made in the construction of a Canadian Navy:

> Why should we not be prepared to pay a part, even though a small part, in the defence of our own commerce and our own trade? I regret exceedingly that political parties in this country seem to be afraid to take up a question of this kind. It is a question bound to come to the front in the near future and must be discussed by political parties. We must decide whether we are to play a part in the British Empire. Why should we not make a small beginning? If we were to pay our proportion towards the cost of the British Navy the expense would be about $7,000,000 a year.

A different view of the situation was heard in Sir W. Mulock's address to the British Empire League on Mar. 16th. He took the line of internal development for Canada and no external defence entanglements, with voluntary aid, when required, from a greatly strengthened and loyal country. Speaking at a military banquet in Toronto, on Mar. 27th, Lieut.-Col H. M. Pellatt declared that every Britisher should be prepared for war; that the Militia should be maintained at a sufficient strength and degree of efficiency to repel any sudden land attack upon the Dominion; that this force should be ready as volunteers to fight in any part of the world side by side with the British regular; that the future of Canada is inseparably bound up with that of Great Britain in a firm, loyal and immovable union. In a lecture at Lindsay, on June 7th, Mr. J. P. Whitney, Conservative leader in Ontario, said that the Colonies were now determined to hold more than a mere nominal place in the Empire and "to take part in its glory and its burdens and to contribute their share to the maintenance of those burdens."

At a banquet given to Mr. George E. Drummond in Montreal, on July 22nd, the guest described his recent visit to Great Britain and declared, in connection with the Preferential trade matter, that "much of the opposition which Mr. Chamberlain is experiencing in Great Britain would be removed if our Canadian

Parliament would now face the question of contributing, in a Canadian way, to the naval defence of the Empire." We owe this, he added, to our self-respect. "It is obviously unfair to expect the British tax-payer to continue paying the whole cost of a Navy which guards Canadian tonnage and interests equally with those of the United Kingdom." In the House of Commons, on Aug. 2nd, Colonel S. Hughes dealt at length with the general question of defence. As indicating the war-like characteristics of the United States he gave a list of their expenditures in this connection during the past century as totalling $8,839,527,573, while the money spent by Canada on its militia and its wars had amounted to only $70,000,000. On the Army and Navy between 1883 and 1903 the United States had spent $2,000,000,000. Since its establishment the Republic had spent an average of $20 per head per annum and at the present time was spending $4.05 as compared with Canada's 60 cents. He argued from this (1) that Canada could not trust, unaided and alone, the peaceable disposition of the States, and (2) that this country was not doing its duty toward Great Britain. In this latter connection he quoted the expenditure per head upon Army and Navy of $3.03 in Argentina, $1.00 in Australia, $2.89 in Chili, $3.92 in Denmark, $2.44 in Norway, $3.10 in Netherlands, etc. Speaking in Toronto, on Oct. 24th, Mr. J. E. Atkinson, Editor of the *Star,* urged the immediate building of a war-ship for the Imperial Navy upon grounds indicated as follows:

We pay nothing whatever for defence outside of Canada, while the people of Great Britain pay $170,000,000, or $4.40 per head per year, to maintain the British Navy. Behind that Navy we have our security and our commerce, and we are given some warrant for the pride which we all accept and value, the privilege of calling ourselves British subjects. We must make some contribution in some form or other towards maintaining the Navy. The Navy acts in the way of policing or insurance, and for insurance it is equal to 2·17 per cent. Canada has $250,000,000 worth of commerce on the sea every year, and we rank fourteenth among the countries of the world in our tonnage, and in registered tonnage we are ninth.

Meanwhile the Dundonald incident was having a certain influence upon Canadian sentiment in this connection—the Conservatives naturally pressing the point of removing, so unceremoniously, a distinguished British officer and the Government supporters maintaining this to be another of those incidents of friction inherent in the post of General Officer Commanding. "It is on this one point," said the Toronto *Star* of June 14th, "and this one point only, that the relations between Canada and Great Britain are inharmonious." No imported officer could be allowed (June 21st) to become the dictator of expenditures and a goad to the back of the Ministry. Nothing should be permitted to "stampede our people into bearing a terrible tax of blood and money necessary to create a 'Canadian Army' satisfactory to the British War Office." This sort of comment did

not continue long, but it illustrates the feeling which was aroused and expressed in various Liberal circles. The *Globe* of Toronto put the matter as follows (June 16th):

> If it is the determination of the War Office that the man who is sent out shall be a military dictator, to coerce the people of Canada into courses and expenditures that they do not wish to take, it may be as well to make trial of an officer who is at least conversant with the country, its genius and its institutions. The War Office may disclaim any such intention, but the fact remains that one officer follows another and all apparently have the same tendency to resist the Government, to whom by law they are subordinate, whenever their idea of the eternal fitness of things is challenged.

On the other hand the *News* (June 15th) declared that "the Mother-Country will stand a lot of snubs from a wayward child such as Canada is thought to be by a large proportion of English tax-payers." England could be depended upon when need arose but it was all the more Canada's duty to "assume a substantial share of the expense attending the maintenance of Great Britain's fleet." An influence for unity and knowledge in this respect was the Navy League which did some good educative work during the year under the direction of its Hon. Secretary, Capt. H. J. Wickham. During the summer he visited the Pacific Coast in the interests of the organization. Its policy was officially summed up as follows:

> 1. The commercial needs of Canada demand a vigorous maritime policy including the encouragement of shipbuilding. Such a policy can and should go hand in hand with measures for National Defence.
> 2. Separate Colonial Navies, *i.e.*, under independent commands for fighting purposes, would be a source of weakness, rather than of strength.
> 3. But centralization of command for fighting purposes does not involve centralization of administration for the purposes of maintenance.
> 4. Each part of the Empire may, therefore, by pre-arrangement with the other parts, maintain such forces, whether of men or material, as will be susceptible of forming one complete weapon in the hands of the fighting Admiral commanding a unified British Navy.

Opinions of the Canadian Press on Empire Defence

This question of Naval defence, the Dundonald incident, and an apparently growing interest in all matters of national policy, combined to cause considerable press discussion during the year. Amongst the Liberal papers the Toronto *Star* was conspicuous for some clear reasoning as to the value of British Naval protection coupled with the general conclusion that Canada should accept the gifts the gods send and go about its business of internal development. The Panama aggression by the United States was the basis of several articles in this journal reviewing Canada's danger from that source, if not backed by the power of Britain, and expressive of profound distrust as to the good-will and good faith of the great Republic. A typical presentment of its view in this connection appeared on Jan. 8th:

Britain may intervene in the war on behalf of British interests, ours included ; but no shot will be aimed at a Canadian port. There lies our western coast, with nothing but the sea between it and the scene of conflict ; and though British guns may be trained on hostile ports no hostile guns will menace our harbours. The British fleet makes of the sea an impregnable defence. That, in a word, is why, for the Canadian hearthstone, war is abolished. Disable the British fleet, and where is our security ? Why should not Russia overleap the Pacific, as Germany thinks of overleaping the Atlantic for the assimilation of a South African Republic ? Why should not a rich Canada, defended by only six millions, unprepared for war, offer as tempting a field for exploitation as does Africa or Asia ? Is it the Monroe Doctrine that would shield us ? Then what would protect us from the fate of Panama ?

On May 9th this paper reviewed the growing feeling that Canada had nothing to fear except from the United States and suggested the building of a first-class war vessel at some maritime port and its maintenance as part of the Atlantic Squadron. On May 23rd it described the strong place held by Canada as a part of the greatest Empire in existence. " We could not choose better, were we given the whole world or all history to choose from. And nothing could be more important. Progress at home must always be protected by safety abroad." At the same time (June 30th) " the best service that Canadians can do the Empire is to build up Canada." Only an emergency should distract attention from this policy. " If the Imperial Navy or Army fell to the danger limit, and if wealthy and established Britain could no longer keep it up to the strength required, then undoubtedly Canada would have to divert some of her energies and money and men from the business of making a nation to that of providing for its defence."

There was one exception to its general policy of marking time when, on Nov. 24th, the *Star* commented at some length upon the protection given to Canada and Canadian interests by the oft-times poor British taxpayer and declared that the Dominion, as one of the great shipping peoples of the world, was in danger of being convicted of meanness in not helping to bear this burden. The key-note of most Liberal comments upon the subject, however, was the desirability of continued material development, the necessity of avoiding heavy defence expenditures except in the strengthening of the Militia, and the great advantage of settling Canada with prosperous and contented British subjects. The Halifax *Chronicle* went a little further in advocating the construction of a Canadian naval force for coast defence and was supported by the Vancouver *Province*, while the Montreal *Witness* of Dec. 22nd contained an exceptional and strong appeal of another kind:

Not for the sake of the Empire, or of the Mother State, or of our fellow-citizens there, who have borne so much for us, but for our own sake, our own dignity, and our own self-respect, we are bound to contribute to the Imperial Naval defence, and we look to the party who gave us the Imperial Preference to remove this reproach from our country. We do not say in what form the aid should be given, but that we should put our shoulder in some way to the big burden is too obvious to need argument.

The Conservative journals were much more pronounced in their views. Some were unaffectedly pleased with the appointment of Sir F. Borden to the Imperial Defence Committee as a step in the right direction; others asked sarcastically why a strong, virile and rich people should pay anything toward a Navy when they could get it for nothing; others drew lessons from the Russian outrage on British fishermen as indicating the position Canada and the Empire would have been in if the trouble had occurred with a C. P. R. liner. The Toronto *World,* Ottawa *Citizen,* Winnipeg *Telegram,* and Halifax *Herald* were agreed as to Canada's right to share in the responsibilities and cost of Naval defence, as well as in its advantages, if a method could be found. The *Mail and Empire* of Aug. 10th defined very clearly the overwhelming advantage to Canada of the present situation on Aug 10th:

> We could speak with the enemy in our gates, or in his own gates, with the utmost audacity, and if he trifled too much with our patience, or in any way showed lack of respect for our puissance, we would hurl the whole British Navy at him. That mighty aggregation of sea power holds itself at our commands. When we learned that some of our missionaries were in peril in Corea, we sent a brief requisition through the Colonial Office to the British Admiralty, and straightway a cruiser shot out of Hong Kong to the rescue. When our sealers were menaced in the North Pacific, British warships soon had them under their protection. And a haughty summons from Sir Wilfrid Laurier would bring British warships to our defence in any crisis, though the same were of our own making. Under Britannia's broad, Harveyized, nickel-steel ægis, we expand ourselves unafraid, even saucy. We trust our ships and our commerce to the sea, fearless of pirates, careless whether the warships of belligerent powers are scouring the Pacific or patrolling the Atlantic, whether they are flying the black flag or shaping their conduct in accordance with the text-books on international law. Britain's Navy, a match for the combined fleets of any two other nations, is at our back. This is a high privilege and adds tremendously to our consequence. Foreigners cannot but remark upon our great advantage and felicitate us on our good luck, for foreigners know something of the cost of a Navy, though we do not.

The Toronto *News* (Ind.) in several articles took the ground that Canada should make a direct contribution toward the support of the British Navy. This view was indicated, as follows, on Sept. 27th: "We contend that, as we lie both on the Atlantic and on the Pacific, and depend upon the British Navy for the daily protection of our commerce, we should contribute to its maintenance. In no other way could we obtain such cheap and adequate ocean security. If we were an independent country we should feel bound to devise some form of naval protection, however crude and inadequate. We have no right to impose upon the burdened ratepayers of Great Britain one dollar of taxation which should rest upon our own shoulders. If by free vote of the Canadian Parliament we make a direct contribution to the British Navy, how can it be said that we impair our independence or sacrifice our autonomy?"

General Defence Discussions in Great Britain

There had, meantime, been a very wide and general discussion of the question of defence throughout other parts of the Empire. In Great Britain and Australia it appeared more and more prominently as a growing public issue. The actual administrative developments at the heart of the Empire have been already referred to but a word must be said here as to the expressions of public opinion in Great Britain. The year opened with considerable felicitation in the press upon the appointment of Sir Frederick Borden, Canadian Minister of Militia, to the Imperial Defence Committee. Speaking at Manchester on Jan. 12th Mr. Balfour was very optimistic in his hope as to the nature of the co-operation which might grow out of this incident and of the consultations which had already taken place.

> We discussed all the matters which interested him and which he desired to raise; and I think he would admit, as I am quite sure his colleagues who sat with him on the Committee of Defence on that occasion will admit, that the discussion was a most useful, a most helpful, a most friendly, and a most fruitful one. For the first time, therefore, on that particular date in the history of the British Empire, a machinery was found by which a representative Minister of one of our Colonies sat with us to discuss common questions of Imperial defence.

This Committee, according to the Premier, was "a body, the result of whose deliberations would remain on record, which should be elastic in character, which should have no executive functions but which should be advisory" in its nature. A meeting of the Council of the British Empire League on Feb. 1st, following, passed a Resolution expressing gratification at the appointment of Sir F. Borden as a great advance toward Imperial union and listened to an address from Mr. Asquith in which that Liberal leader expressed pleasure at this sign of progress and hoped that Australia, New Zealand, and other parts of the Empire would soon be represented also. To the Resolution the Canadian Minister replied on Aug. 18th. "I am sure," he said, "that this direct means of transacting important business between the Colonies and the Mother-Country, relative to questions of defence, will prove most satisfactory. It has the merit of bringing the parties chiefly interested, and especially fitted, to discuss the questions at issue, face to face, and at the same time of avoiding delay which is often discouraging, if not sometimes irritating." On Feb. 8th, at the Guild Hall, the Duke of Devonshire took strong ground upon the general question of Imperial defence as it affected the United Kingdom:

> I hold that, next to the ties of blood and kinship, of common history, common traditions of freedom, and common literature, the strongest tie which unites together the Empire is the Naval power of the United Kingdom. That naval power is maintained, at a great cost, almost exclusively by the people of these small Islands. It is used, not only for these small

Islands, but for the defence of every portion of our Empire, and all our Colonies and every one of our Dependencies know that it would be used for them in their defence, in any quarrel in which they might be engaged with any foe. The maintenance of that great Naval power entails on the people of these small Islands great efforts and solid burdens. They are willing to make these efforts and to share these burdens, but it is impossible that they should continue to do so unless their material resources and their finances are adequate.

On Nov. 12th Admiral Sir John Colomb, M.P., contributed to the *Times* a study of the Imperial situation and Colonial conditions as affected by the possibility of War with Russia over the Baltic fleet affair. He somewhat sarcastically intimated that "while waiting to know what Preferential advantages the Mother-Country is going to offer for their acceptance, the time might be advantageously occupied by the Colonies in investigating what they now obtain from the people of the United Kingdom for nothing." He then quoted some official figures* showing the public expenditure of the outlying Empire as £148,861,339 and that of the United Kingdom as £146,961,136; the expenditure of the former upon the provision and maintenance of the Royal Navy as £384,604 and of the latter as £35,653,500; the sea commerce of the outlying Empire (in groups) protected by this Navy as £503,-128,436 and that of the United Kingdom as £935,148,604. His conclusion was that the "consolidation of our Empire demands mutual sacrifices and the key of the problem lies in their true adjustment for the common advantage. The primary question is not one of trade profits in peace, but preservation in war." Speaking at Bristol on Nov. 14th Lord Selborne dealt at once with the pending Naval changes and, indirectly, with the talk in some of the Colonies as to coast defence and local navies.

Some people imagined that if we kept command of the sea, it was unnecessary to garrison such stations, but the idea that it was the function of the Navy to guard these coaling stations, just as it was to guard the shores of the United Kingdom, was a heresy. There was only one way of guarding the Empire outside of the United Kingdom, and that was to pay no attention to any locality or territory, but to seek the enemy's ships wherever they were to be found and to destroy them. That would be the solitary and supreme duty of the Navy in War, to find the enemy's ships and destroy them. If for one moment, we were guilty of such a lamentable heresy as to tie up our ships in the territorial defence of any part of the Empire, we should be playing into the enemy's hand and rendering the Navy impotent for its real purpose. The two principles which must always animate our Navy must be mobility and offence.

An imposing deputation waited upon the Prime Minister, on Dec. 10th, regarding the general question of Colonial contribution to Empire defence. Headed by Sir Michael Hicks-Beach it included the Duke of Norfolk, Lord Avebury, 39 members of Parliament, and prominent representatives of trade, commerce and shipping, and a number of those specially interested in Colonial

* NOTE—Parliamentary Paper No. 204, Session 1903, and No. 308, Session 1904.

questions. Sir Michael in his speech dealt with the recent Russian incident, and its lessons to the Colonies as to the value and need of Naval protection; drew attention to the fact that Canada, though high in the scale of commercial nations, contributed nothing to the fleets which guarded its ocean trade; pointed out that great and wealthy Empires were now competing for sea-power and thus further increasing the necessity and advantage of a strong Imperial navy; and declared his belief as a student of the national finances that it would soon be impossible for the British tax-payer to bear the burden of vast and increasing armament which changing conditions made necessary. Mr. Balfour, in replying, recognized the truth of what had been said and the capacity of the Colonies to aid if they wished. And then he continued:

> Those who were our children are gradually becoming our equals, and no doubt that process carries with it in Imperial life, as it carries with it in domestic life, as a necessary and inevitable incident, that the children as they grow up shall aid their parents and shall bear a larger and larger share of the common duties of the family and the common support of the household. But it must be a gradual process. It must be a slow process. It is not a process which we can unduly press upon them. It is, as in the case of children to their parents, a condition of things of which they themselves shall more and more become sensible and of which they themselves shall more and more feel that they are required, by the very nature of the tie that binds us together, and of their growing importance in the scheme of the Empire, to bear more and more of its burdens.

Defence Conditions and Policy in Australia

On Mar. 26th an able study of the military and naval situation of Australia appeared in the Sydney Morning *Herald*. The writer deplored a condition which he reviewed in detail and summarized as follows: "With no real local defences; with our artillery starved into numerical inadequacy; with obsolete guns on our forts and in our field batteries; with forts lying idle waiting for modern guns; with our Militia in a condition of discontent; with our supply of ammunition fully believed to be totally inadequate and, we may add, with a supply of regulations much more than adequate—the question remains: are we ready?" He had premised these conclusions with the natural statement that so long as Great Britain retained the sovereignty of the seas there was little danger of an attack in force upon Australia, but if, for even a brief space of time, that power should be lost, the Commonwealth, as now internally guarded, was in imminent peril.

Some general discussion followed in the press but the politicians as a whole were afraid to meet the question practically. A reduction in the military estimates had been made in the preceding December and Mr. Watson, the Labour leader, accepted responsibility for this action and defended it on the ground of amending the manner rather than the real amount of the expenditure. "I am," he said on Jan. 1st, "prepared to vote any reasonable sum for the purchase of small arms and field guns and for the equipment which may be necessary."

Meanwhile, Mr. H. F. Wyatt, the Navy League envoy to the Colonies, was visiting and speaking throughout Australia, with a view to educating the public as to the paramount importance of an adequate Navy. On Oct. 28th, 1903, he had addressed and aided in forming a branch of the League at Melbourne and a Resolution was passed on motion of Sir John Forrest, Federal Minister of Defence, declaring that "the maintenance of the command of the sea is vital to the security and the prosperity of Australia and to the future progress of our United Empire." On Dec. 3rd he spoke at Launceston, five days later at Hobart, Tasmania, and on Jan. 8th he was at Auckland, New Zealand. Dunedin was visited on Feb. 19 and at Wellington, on Feb. 28th, H. E. the Earl of Ranfurly presided at a meeting of 2,000 persons addressed by Mr. R. J. Seddon, the Prime Minister, and Mr. Wyatt.

In July Mr. Wyatt was back in London and created a breeze in the Commonwealth Parliament by a statement that the Labour leaders were "disloyal and separatists," though not representative of their constituencies in this respect. Mr. Premier Watson denied this in the House, on July 29th. "As to any desire for separation there is not the slightest evidence of it." At the same time he cabled a message to the London *Chronicle* that "the Labour leaders believe in sane Imperialism on the basis of common action for the advantage of all British citizens without surrender of local autonomy." On Oct. 21st, following, a Dinner was given Mr. Wyatt in London. He described his tour of Canada, Australasia and South Africa and the dependence of those great countries, for the defence of their shores and commerce and access to markets, upon the Royal Navy.

General Sir E. T. H. Hutton had, meantime, been duplicating his Canadian experiences by having trouble with the Australian authorities. Though commencing under the preceding *regime* it developed rapidly, and perhaps naturally, between the keen and autocratic soldier and the new Labour Minister of Defence. The public expression of the trouble was in connection with the General's cipher code used in despatches to the War Office, and not available for the Minister's use. After his retirement from office Senator Dawson stated, on Aug. 27th, that there were other differences between himself and the General Officer Commanding—personal ones, as to public expenditures, and in connection with the "pigeon-holing" of documents at the Barracks.

Meantime General Hutton's annual Report had been published in June. It referred to various parts of his previously-presented plan of defence as having been carried out—at a cost during the year of £609,419 in the following particulars: (1) a permanent Cadet force for certain important military services, and for administrative, technical, and instructional purposes, (2) a field force, for interstate or Commonwealth defence; and (3) garrison troops, primarily for local or State defence. Some important matters were also under consideration including the following: (1) the

provision of modern and adequate equipment, (2) the increase of the Royal Australian Artillery, (3) the completion of the scheme of organization in all its details. He strongly deprecated a proposed reduction in his staff, urged the serious condition of the stores and equipment, and recommended a Council of Defence composed of the Minister of Defence (President), the General Office Commanding (Vice-President), the Second in command of the Militia, the Chief of Staff, the Assistant Quartermaster-General, the Secretary of the Defence Department, a Militia officer; and five other military officials as Associate Members to attend meetings when desired. An appendix to the Report gave the following data as to the existing force:

	Officers.	Men.
Permanent soldiers	88	1,204
Militia	825	11,983
Volunteers	283	5,355
Total	1,196	18,542
To which has to be added—		
Cadets	211	9,102
Unattached and Reserve	620	....
Rifle Clubs	....	28,721
Grand Total	2,027	56,365

Some interesting episodes occurred at a later date in connection with the Russian fishing fleet outrage. On Oct. 27th the British Empire League in Sydney passed a Resolution demanding "immediate and complete reparation," while the South Australian Assembly expressed, unanimously, its sympathy with the victims and its desire for reparation. In the Federal Parliament on Oct. 28th, Mr. Premier Reid and the Hon. Mr. Watson, the Labour leader, moved in the House a Resolution showing the feeling of Australia in the existing crisis. It passed without opposition in the following terms as did a similar one in the Senate:

1. That this House feels bound, in the present grave crisis, to express its profound indignation at the cruel and wanton attack recently made by a Russian fleet on British fishermen whilst engaged in their peaceful calling.

2. That this House fully sympathizes with the British Government and people in their demands that those who directed this outrage be punished.

3. At the same time this House most earnestly hopes that the peace between the British Empire and Russia will be continued—by a frank and honourable observance, on the part of Russia, of her obligations.

Relations of Canada and Newfoundland during 1904

The Island Colony entered upon the year with prosperity evident in every direction and passed through it with the settlement of its greatest difficulties and the triumphant result of a general election for its Government. The Hon. E. M. Jackman in his annual Budget on Mar. 29th showed a surplus for the years 1901, 1902 and 1903 and an estimated surplus for 1904 and 1905; an increase in trade from $13,000,-

000 in 1898-9 to $18,000,000 in 1902-3; a jump in lumber production from 6,200,000 feet to 17,893,000 feet in the year and to 21,876,000 feet for the half-year ending Dec. 31st, 1903; an increase in foreign-going tonnage from 1,447,481 in 1900 to 1,785,049 in 1903; and an increase in three years of $400,000 in the Savings Bank deposits. Sir Alfred Harmsworth of London purchased some 2,000 square miles of timbered region and started the construction of great pulp mills while, in another direction, Newfoundland marked its progress by making a substantial success of its Royal Naval Reserve system under which the Colony contributed $15,000 a year, the British Government kept a training-ship at St. John's, and 400 men were trained and took a six months' cruise to the West Indies in ships of the Atlantic Squadron. Meanwhile, Sir Cavendish Boyle, the Governor of Newfoundland, had been promoted to the Mauritius and was succeeded by Sir William McGregor, Governor of Lagos, who reached St. John's on Sept. 26th. Another personal incident was the knighthood conferred upon the Hon. E. P. Morris, Attorney-General and announced on June 25th.

But the chief local incident of the year in this Island Colony of 225,000 people was the General Election which came off on Oct. 31st. It was of interest to Canada because the question of Confederation was forced into the fray as a principal and vital issue on the one side and evaded as unpopular and impracticable, at present, on the other. During the year the Liberal Government of Sir Robert Bond had 28 members in the House against 8 Oppositionists led, practically if not nominally, by the Hon. A. B. Morine, K.C. In the country generally three ex-Premiers—Sir W. V. Whiteway, a Liberal, Sir James Winter and Mr. A. F. Goodridge, Conservatives—and Mr. D. Morison, K.C., an Orangeman and Conservative, were struggling with Mr. Morine for ultimate leadership in the dis-united opposition to the Government. After much mutual recrimination and the revival by the Government press of old and bitter conflicts and charges between Whiteway, Goodridge and Morine, in particular, the five leaders came together in September, agreed to merge all differences in an effort to defeat the Government, and to also waive for the present the question of which should be Premier if they won in the contest. They then combined in a fierce attack upon the Government for having re-arranged the Reid Railway contract of 1901 with large and growing financial burdens upon the Colony; for having accepted the French Shore Treaty with its alleged defects; and for general incompetence and extravagance. Manifestoes in multiform number were issued with a pleasing list of promised reforms. Sir William Whiteway in his Address stated that no Confederation with Canada would be accepted without a direct appeal to the people at the polls. On Sept. 28th the Prime Minister issued an elaborate Manifesto describing what his Government had done for the country. It may be summarized as follows:

1. Passed an Act re-assuming the ownership of the Reid Newfoundland Railway and returning to Mr. R. G. Reid the consideration he had paid a previous Government for its purchase.
2. Released by this means 2,500,000 acres of the best lands in the Island for the use of its fishermen, settlers and lumbermen.
3. Re-assumed control of the Telegraph lines, extended the system to Labrador, re-established a Coastal steamer service, erected 18 light-houses and fog alarms along the Coast.
4. Erected public wharves and other marine works, established a trade in fresh fish, placed a bounty on the melting of iron-ore and the working of coal measures, continued a bounty for clearing and cultivating land and admitted farm implements free of duty.
5. Increased the Education grant, reduced taxation, made a trade treaty with the United States and "succeeded in bringing about a settlement of the French Shore question."

As to the present and future, the Government had and would resist the demands and claims of the Reid Newfoundland Company; they were making arrangements to control the Cable business of the Colony; they were sharing with the Imperial Government in the making of new Coast and Fishery regulations; they would encourage the export trade in fresh fish and erect bait depots for the fishermen; they hoped to find means of promoting the development of the herring and whale fisheries; the mining, agricultural and lumber industries would all be fostered; and, finally, they had stated and now reiterated that there was "no desire on the part of the people of this Colony to be included as a constituent part of the Dominion of Canada." Sir Robert Bond concluded with the statement that union with Canada would not be "to the political, commercial or moral advantage of the people" and with the watchword to his fellow-countrymen of "No Confederation." This latter clause was made the central party issue of one of the most curious campaigns in recent history. The Government press teemed with references to the Opposition combination of leaders as being in league to sell and betray their country to Canada.

Messrs. Whiteway, Winter, Morine and Morison were known to be at least inclined toward Confederation, although Mr. Goodridge had been at one time a fierce opponent of it. But this last fact and denial of any intention to carry out such a policy seemed to be useless. It was only branded upon them the more hotly and vigorously. Advertisements appeared announcing a "bargain day" with Newfoundland and its people for sale by the Opposition leaders; the *Telegram* described Newfoundlanders as strong, patriotic men and not "degenerate enough to become Canadians"; Confederation was said to be the last of "five steps to Perdition" of which the preceding ones were (1) voting for the Opposition, (2) anarchy, (3) stagnation, starvation and soup-kitchens, (4) national insolvency; the fishermen were told by one journal that it meant a tax of from $5.00 to $50.00 a year on cod-traps and that the defeat of the Government would involve "gangrene, delirium, disaffection and anarchy"; the Opposition candidates were described in the *Herald* as Tory missionaries

" let loose in the country with pockets filled with Canadian gold "; Mr. Morine's visit to Canada early in the year and his speeches there were the objects of unlimited criticism as the precursors to the present " plot "; the fishermen were assured (*Herald,* Oct. 8th) that unsuitable fishery laws, possible abrogation of the Bait Act, control of the winter herring and the seal fisheries by Nova Scotia, and increased price for pork, flour and other provisions, would follow; according to the *Telegram,* Morine meant Laurier and Confederation and these would involve French rule, direct taxation, popular discontent, wholesale emigration and " the wreck of the British Empire on this side of the water." The *Herald* of Oct. 3rd summarized the probable results of Confederation, as follows, after asking the electors if they would vote for " these Canadian mongrels ":

To the Fisherman—A tax on his cod-trap, a tax on his schooner, a tax on his lobster-factory, a tax on his salmon-net.

To the Farmer—The destruction of his industry and emigration from his home, for the farming enterprise here would be stamped out.

To the Mill-Owner—The destruction of his market for coopers' lumber and other products and the closing down of his mill.

To the Miner—Heavy duties on all his implements and necessaries, and discriminatory laws against him.

To the Breadwinner—Higher prices for flour, pork and other foodstuffs, because American provisions would be excluded by a high rate of duty.

To the Young Voter—A heavy annual poll-tax, such as they now pay in Sydney—five dollars a year in dry cash.

To the Mongrels—Big jobs and fat salaries at Ottawa, in return for selling our Island home.

Mixed up with these charges were all kinds of personalities in the press—a favourite one being the charge that under Confederation all the Opposition leaders had been promised and would be given high positions by the Canadian authorities. Sir W. Whiteway was to be High Commissioner in London, Mr. Morine Lieut.-Governor of Newfoundland, Sir J. S. Winter a Supreme Court Judge at Ottawa and Mr. Morison a member of the Dominion Government. Another feature was the appearance of a mass of poetry which appealed to the patriotism of the people and of which the following from the *Western Star* of St. John's is a sample:

For when death of life deprives us,
And we are buried in our graves,
Under the Canadian banner,
Then our offspring would be slaves,
They'll be exiles on Dominion soil,
Bereft of Freedom, Home and Friends;
Placed as targets before bullets,
The Canadians to defend.

The Opposition tried to meet this attack by issuing an Address to the people on Oct. 11th, signed by their whole 27 candidates, declaring that " the cry that Confederation with Canada is aimed at by us or any of us in this election, is wholly and wil-

fully false and has been concocted, and is being circulated, for the purpose of alarming the electorate into supporting the Government." They pledged themselves to do nothing in this respect without the free will and consent of the people expressed at the polls. But this action seemed of little avail in the end. On Oct. 21st the Government nominated a full list of 36 candidates and the Opposition 35—one Government supporter going in by acclamation. On election day the Bond Government was returned by 30 members to 6 and all the Opposition leaders were defeated excepting Mr. Morine. A contributory cause to this result, apart from the Confederation bogey, was the support given the Government by Archbishop Howley, the Catholic Prelate and incidentally a strong advocate of Confederation with Canada. Mr. Morison was the Orange leader in the Colony and all his chief colleagues happened to be Protestants. Another was the unpopularity of Mr. Morine through his connection with the Reid Company as Solicitor. Despite his undoubted ability and eloquence this told against the Opposition.

Apart from its appearance in this campaign Confederation with Canada was only a real issue in the Dominion itself where the idea continued to be generally popular and of the "inevitable destiny" type of thought. The Hon. E. P. Morris visited the country in January and on the 25th told the Montreal *Gazette* that there was no Island sentiment in its favour and that the people had not seriously considered it during the present generation. On Feb. 19th, according to correspondence afterwards made public the Newfoundland Government through a Committee of Council replied to a Resolution in favour of Confederation passed by the Chambers of Commerce of the Empire Congress, as follows: "So far as the Committee is aware, there is no desire on the part of the people of this Colony to be 'included as a constituent part of the Dominion'; but, on the contrary, the desire is evident that the Colony should retain its autonomy and continue to maintain an honourable and independent position as part of the British Empire." To a Toronto *Globe* correspondent on Apr. 22nd Sir Robert Bond pointed to the present general prosperity, the natural isolation of the Island, the interests of local industry, the lack of trade with Canada and the alternative importance of the Bond-Hay Treaty, as reasons or arguments against Confederation. But, he added, "I do not see how any public man can say he is opposed to Confederation before he knows what the terms are; I should assume that that would be the attitude of every rational and thinking man."

To the same paper, on Apr. 28th, the Hon. E. M. Jackman, Minister of Finance said: "I am opposed to Confederation for the simple reason that, in my opinion, we would not gain by the transaction; we would lose our political autonomy and become the 'fag-end' of the Dominion." The best policy for Newfoundland was "to retain control of our bait fishery and use it as a leverage to

obtain Reciprocity with the United States." He was strongly opposed, however, to Annexation. Other leading men were interviewed by Mr. Norman Smith, the correspondent in question.* Mr. Morine said that his personal feeling had always been favourable to Confederation but it was altogether a matter of terms and the absence of any offer from Canada, later than 1895, made it impossible to raise the issue. He described local ignorances and prejudices and declared an educative campaign essential. The Hon. Mr. Morris, Attorney-General, declared Confederation to be more remote than it ever was. Archbishop Howley expressed strong approval of union. "Newfoundland's resources would be at once opened up, her railway system improved, and her maritime interests developed. The mere geographical position of the Island would bring this about. I regard St. John's as the most important point in the whole world, situated as it is half-way between Europe and America, and passed by every steamer plying between the old world and the new." But he acknowledged that the people were unhesitatingly opposed to the policy and he had become weary of combating their views and prejudices. Mr. Donald Morison, K.C., Grand Master of the Orange Order, was equally favourable. He also agreed as to the popular ignorance and prejudice. Canada must offer its terms before the question could become a live one.

In his speeches to the Canadian Club at Toronto, on May 19th, and at Ottawa on the 20th, Mr. A. B. Morine was emphatic as to this point. The offer of terms, so as to enable the friends of Confederation to have a basis to work upon, and then an educative campaign, were the key-notes of both these addresses. Without advocating the policy in so many words he intimated clearly that if the terms were good he would do his share in fighting for it. A little before this Lieut.-Col. W. N. Ponton of Belleville delivered speeches at the Canadian Club of Toronto (Mar. 28th) and at Ottawa (Apr. 12th) upon the subject of Confederation, urging it as "rounding-off the Dominion." In the *Canadian Law Review* for May he also urged this policy. At the British Empire League in Toronto on May 20th a Resolution was passed upon motion of Mr. Castell Hopkins and Lieut.-Col. James Mason urging Confederation as an Imperial policy and asking the Government of Canada to make known to the people of Newfoundland the terms which it was prepared to offer. The *Globe* of Sept. 8th took similar ground editorially: "If Canada has any views or desires looking towards a union she should be prepared to intimate an outline at least of what its basis should be. Parties in the Island could then discuss intelligently whether they were prepared to accept them or not. Public opinion would have to be educated, and the submission of such terms would afford the desired opportunity."

* NOTE—This series of letters gave an excellent view of conditions in the Island, and can be consulted in *The Globe* of Apr. 27th, 30th, May 4th, 7th, 9th and 10th.

Toward the end of the year matters came to a head between the Reid Newfoundland Co. and the Government as to the former's claim for $3,000,000 indemnity in connection with the Government's assumption of the Telegraph lines. Arbitration was agreed to and sittings commenced at St. John's on Oct. 27th with the Hon. Edward Blake, K.C., M.P., Mr. Donald Macmaster, K.C., of Montreal, and Mr. P. S. Archibald, C.E., of Moncton, N.B., as the Arbitrators. Sir E. M. Morris, K.C., and Mr. Furlong, K.C., represented the Government as Counsel, and Mr. A. B. Morine, K.C., Sir James Winter, K.C., and the Hon. H. J. Greene, K.C., the interests of the Railway Company. The decision was not announced until January of the succeeding year. An interesting incident of this period was the arrangement made by the Island Government, and ratified by the Legislature, with the Newfoundland Cold Storage and Reduction Company—a concern composed of and controlled by United States capitalists. By its terms the Company was guaranteed for twenty years a dividend of 5 per cent. per annum on a capital of half a million dollars on condition that $250,000 be spent on a cold storage plant and $200,000 expended yearly in the purchase of fish in the Island for export. The Company also undertook to preserve bait in cold-storage and to distribute the same at a reasonable price wherever it was needed by Newfoundland fishermen.

Under the United States laws it was claimed that this Company of U. S. citizens would be able to ship both fresh and dried fish into the Republic free of duty. The matter was discussed in the Canadian House of Commons on Apr. 27th as promising to injuriously affect Canadian fishermen and fishing interests. The latter would still have to face the United States duties while the Newfoundland monopoly would be free of them. The Hon. Mr. Fielding in the ensuing debate took the line that Canada should be very careful as to interference with the policy of an independent Colony. Only friendly negotiation would, he thought, be permissible. Another matter which caused discussion during the year was the vagueness of the boundary line between Labrador, as a Newfoundland possession, and the Dominion. The Island Government issued timber licenses in what was claimed to be Quebec territory, on the Hamilton River, and the subsequent announcement in August that the Canadian Government would establish a Customs House at this particular point aroused some feeling in St. John's.

Settlement of the French-Shore Question

As removing the only important obstacle to Newfoundland's future progress, eliminating a source of friction between the Island and the Mother-land and destroying the only objection suggested in Canada against Newfoundland entering Confederation at some future time, this diplomatic achievement of Lord Lansdowne's was most important to British interests in

North America. On Apr. 8th, after preceding and unsuccessful negotiations in 1857, 1860, 1874, 1881 and 1885, a Convention between France and Great Britain was signed in London by Lord Lansdowne and M. Cambon. The first portion of this elaborate and intricate Treaty dealt with Egypt and Morocco and gave Britain practically a free hand in the future of Egypt and to France a similar recognition of its influence in Morocco. The second part dealt with the Newfoundland question and the third gave France certain concessions in West Africa in return for its abandonment of shore rights in Newfoundland. These included a territorial re-adjustment on the Zambesi, and on the frontier between the Niger River and Lake Tchad, and full possession of the Island of Silos. Some English critics of the arrangement declared that Great Britain gave too much for eliminating the painful policy of French pin-pricks in Newfoundland but the great bulk of opinion was warmly favourable. Four days after this announcement Mr. Lyttelton, Secretary of State for the Colonies, advised the Governor of Newfoundland as to the Treaty and its terms and concluded as follows:

> Your Government will observe that this advantage has not been secured without conceding to France very valuable facilities in other parts of the Empire involving some accession of territory. Considerable as these sacrifices are His Majesty's Government feel that, apart from the wider considerations referred to in Lord Lansdowne's despatch, they are in a large measure justified by the security which they afford for the future prosperity and development of the oldest British Colony.

The details may be summarized as (1) giving the French only the usual Summer fishing privileges, (2) making them subject to the Island fishery laws and regulations, (3) compelling removal of the French from the Coast and their stations upon it, (4) leaving the Legislature the right to make permanent legislation carrying out the terms of the Treaty, (5) giving the Island Government the right of approval or otherwise of Imperial regulations for policing the Coast and (6) constituting St. Pierre a British Consulate. There was some discussion of the arrangement in Newfoundland from a hostile standpoint, based largely upon the clause enacting that the Fishery season "shall close, for all parties, on Oct. 20th in each year." It was claimed that this might work serious hardship to local fishermen, if enforced, and the *News* (Opposition) and *Telegram* (Government) contended that the Treaty as first reported did not entirely extinguish the old French rights while creating some new ones. But truer and further knowledge seems to have dissipated these arguments and fears and, meanwhile, the settlement created unquestioned popular enthusiasm.

On Apr. 22nd the London *Times* correspondent cabled a description of the "unbounded enthusiasm" of the people. "The schools are closed, the shipping is decorated, bonfires are

being lighted, and displays of fireworks will be given." A parade of citizens and Naval Reserves in St. John's followed. Meanwhile the Hon. E. P. Morris, K.C., Attorney-General, had issued a message to the people (Apr. 21) stating that "Newfoundland gains by this Treaty absolute and undisputed ownership over the whole Treaty Coast." This means "the absolute prevention of any interference by France with the settling and development of the Coast and the right to engage in every fishery on the Coast the whole year round. We further retain the right to control the whole bait traffic on that Coast." He intimated that, in addition to equivalents granted France in West Africa, this arrangement would cost Great Britain a million dollars in hard cash for the compensation of French fishermen. He urged the holding of public meetings and the expression of popular satisfaction at the action and policy of His Majesty's Government. On Apr. 28th the Legislature endorsed by Resolution the Colonial and Imperial Governments in this connection and voted down, by 17 to 5, the Opposition criticism of the Treaty as sacrificing valued local rights.

In an interview at Sydney, N.S., on May 8th, Mr. A. B. Morine represented this latter view by declaring that a large element were dissatisfied as to its terms. The Treaty was not sufficiently explicit and was loosely drawn. In a London interview, on July 12th, Sir Robert Bond, the Premier, reiterated the satisfaction of his Government at the arrangement though they would have liked the British acquisition of St. Pierre and Miquelon and the absence of concurrent rights of fishing on the Treaty shore. The complaints heard of were, he said, raised by the Opposition for political purposes in the coming elections. With few exceptions the satisfaction expressed at this settlement was really general and generous. In Canada the press discussed it as the removal of the last obstacle to Confederation—apart from the feelings of the Newfoundland people themselves—although a few voiced the arguments of the Island Opposition.

Lord Strathcona and other Canadians in Great Britain

One of the most significant developments of the past few years has been the increased interchange of visits between the prominent men of the Motherland and Canada. Lord Strathcona was, of course, personally or officially connected during 1904 with everything of interest to Canada at the heart of the Empire. Speaking at a Newport banquet on Jan. 29th he described Mr. Chamberlain as a great statesman and the very best friend the Colonies had and as doing "more for the Empire and the general good than any other man." The English people should draw closer to the Colonies in a commercial sense by a co-operation which would make them one great family. On Feb. 25th he presided over a great banquet in London given in honour of leaders in the commercial world of France who were present as guests. At the Royal Colonial Institute, on Mar. 15th,

he took the chair for an address given by Mr. J. G. Colmer, C.M.G., on "Canadian Questions of the Day," and presided also at the annual Dominion Day Dinner in London. On May 30th Lord Strathcona was made the occasion of an inquiry by Mr. Bourassa in the Canadian House of Commons as to how far his speeches in favour of Mr. Chamberlain's policy voiced the sentiment of the Government which he represented in England. In reply Sir W. Laurier referred to the High Commissioner as holding a high position in the social and political world of Great Britain, apart from his Canadian post. "He simply expressed his views and, of course, he has a right to his own opinions but in doing so he does not in any way bind the Government of which he is an official."

On July 16th, with H.R.H. the Duke of Connaught, the Lord Mayor of London, the Earl of Derby, Lord Rothschild, Earl Spencer and the Governor of the Bank of England, Lord Strathcona signed an appeal to the Nation for further contributions to the Transvaal (Widows and Orphans) War Fund. Four days later he was installed as Chancellor of Aberdeen University, in succession to the late Duke of Richmond and Gordon, after having held the Lord Rectorship for three years. In speaking he described his election as a tribute to Canada and referred to the standing and work of McGill University of which he was also Chancellor. The work of Scotchmen abroad and the great ideal of a United Empire were also dealt with and, in the evening, at a banquet in his honour Lord Strathcona referred to the Preference given by Canada and added: "She sought nothing in return but I can say and do say for Canada that for anything Great Britain might give to them they are willing and prepared to give an equivalent." In August, it may be said, he purchased the historic Islands of Colonsay and Oronsay and added them to his already large estates.

Meanwhile, others were speaking for Canada and being entertained, as Canadians, in varied and kindly forms. In April, Alderman H. B. Ames of Montreal—later in the year elected a Member of Parliament for that City—accompanied by Mr. George E. Drummond, President of the Canadian Manufacturers' Association and Mr. A. J. Hodgson, also of Montreal, were in England and spoke upon a number of occasions as to Canada's fiscal and industrial position. One or other of these gentlemen delivered addresses in London, Leeds, Liverpool, Bristol, Birmingham, Canterbury, Cardiff and Huddersfield. One of the most important of their speeches was that of Mr. Ames at a special meeting of the London Chamber of Commerce, on Apr. 7th, and the views expressed there and upon other occasions were summarized by him in an interview upon his return (*Witness*, Apr. 23rd) as follows:

We made it plain that Canada could not under present circumstances increase the Preference. We might raise the tariff wall against our

own and England's competitors a little higher. The Preference had been given by Canada as an object lesson and an evidence of good will. It had been given freely and not in a bargaining spirit but it was England's turn now to reciprocate. We explained that if the British manufacturer desired to hold our custom he would have to adapt his goods to our tastes and requirements and sell them at the prices we were accustomed to pay.

He declared that if the Dominion Government or Parliament would invite the British House to visit Canada fully 200 members would probably come. Mr. Drummond returned an enthusiastic believer in Mr. Chamberlain's mission and future success. In an interview (*Gazette*, June 13th) he urged an endorsement of these proposals by the Dominion Parliament as likely to greatly aid in their realization and expressed the belief of many whom he had met on both sides of politics as to the desirability of a Royal Commission to inquire into all branches of this great question. Mr. Chamberlain he described as a leader of men—strong, safe, courageous, earnest and practical. Sir C. Hibbert Tupper was another visitor of the year. He told the Canada Club on Apr. 19th that: "Our chief anxiety is that we should have something to control the millions that are to come to us from foreign lands. Sentiment binds us to the Mother-land with the strongest possible ties, but we want something to tell these millions from foreign lands that we have commercial as well as sentimental advantages." Upon his return Sir Hibbert characterized Mr. Chamberlain (Ottawa interview, May 12th) as the Beaconsfield of the time and as bound to succeed eventually. He had the youth of England with him.

Speaking at Willesden, on July 16th, the Hon. Mr. Lemieux, Canada's Solicitor-General, said that "the people of Quebec were loyal, happy and satisfied to live under the British flag but if they wished to tighten the tie they would break it. The relations of Canada and the Mother-land were now very friendly but if anything were done to embalm such relations in a statute book then they would be in the statute book but not in the heart."* This and another speech unfavourable to the Chamberlain policy were quoted as Liberal campaign material in England and questions were asked about them in the House at Ottawa. Chief Justice Sir H. E. Taschereau was also in England at this time and was sworn in as a member of the Privy Council before the King. Other Canadian visitors in the Empire's capital during the Summer were Sir Charles Tupper, Bart.; the Hon. G. H. Murray, Premier of Nova Scotia; the Hon. C. H. Campbell and Hon. R. Rogers of Winnipeg; Mr. Donald Macmaster, K.C., Mr. F. W. Thompson and Principal Peterson of Montreal; Mr. J. M. Clark, K.C., and Mr. Barlow Cumberland of Toronto; the Bishop of Calgary and Messrs. B. E. Walker, R. S. Neville and A. B. Aylesworth, K.C., of Toronto. Many of these gentlemen upon their return home spoke enthusiastically of Mr. Cham-

* NOTE—London *Daily News* report, July 19th.

berlain and his ultimate chances and all were delighted with the position now held by Canada in the popular regard. Mr. B. E. Walker differed from the majority in doubting whether Mr. Chamberlain's proposals would be worked out in the way he expected. But good would come in some form of closer relations. A prominent Canadian of the year in London, as well as in other parts of the Empire, was Dr. G. R. Parkin, of the Rhodes' Scholarship Trust. He addressed the Royal Colonial Institute on Nov. 8th, with Earl Grey in the chair, and the Canadian Society of London on Oct. 8th.

Visit of the Archbishop of Canterbury to Canada

One of the picturesque and interesting events of the year in Canada was the visit to Quebec, Montreal and Toronto of the Most Rev. and Right Hon. Dr. Randall Thomas Davidson, Archbishop of Canterbury and Primate of all England. It was of religious importance as being the first time in history when the occupant of the Chair of St. Augustine, the Chief Bishop of a great and historic Church, had visited the Canadian Church; and as giving to him at Quebec the opportunity of taking part in the first centenary of the first Anglican Cathedral erected in any Colony of the Empire. It was of Imperial importance as illustrating the invisible yet forceful tie which still binds this British and Canadian denomination in more than mere similarity of ceremony, form, and ecclesiastical government. It was of great local importance, because of the sane, strong, and impressive treatment given by His Grace to subjects of general and individual Canadian concern. In the "seven voiceful days" spent in Canada were crowded varied experiences of deep interest to himself in the present, and of great value to Canada in the future, while his utterances upon religious, educational, political, historical and Imperial issues, left vivid memories and permanent influences behind.

Crossing the ocean in pursuance of a promise to attend a great United States Episcopal Convention at Boston the Archbishop had decided that his first visit and utterances upon this continent must be upon the British portion of its soil. Hence his immediate departure from New York, after landing on Aug. 28th, in order to attend the ceremonies at Quebec. He had been met and welcomed at New York by Mr. J. Pierpont Morgan, on behalf of the Episcopal Church of the Republic, and it was through the courtesy of the eminent financier that a special train brought His Grace from thence to Quebec in time to preach the anniversary sermon. After a stately welcome upon his arrival from the Bishop and clergy of the Diocese the Archbishop gave a deliverance of rare force and beauty of expression. From sympathetic references to the occasion and to his surroundings he proceeded as follows:

> But you, who know far better than I the varied story of Quebec, are recalling to-day the earlier memories which—in a larger than any techni-

cal sense—give imperishable consecration to this place, which link it back along a chain of quite peculiar pathos and interest to the work done centuries ago by members of the fraternity of St. Francis of Assisi, and, along with them, for a little while at least, to the devoted men who, in a very different "Society"—a Society whose very name became a catch-word for a polity and a behaviour which we condemn—did yet show to the whole world an example of missionary enthusiasm and a steadiness of persevering faith in face of persecution and suffering which, while the world standeth, will encircle with a halo of glory the memory of the Jesuit missionaries of two hundred and fifty years ago.

The lesson drawn from that distant time, when devoted men gave themselves to the task of bearing life and hope from this centre to those who sat in darkness, was that it should be "an inspiration to us still in circumstances so different from those in which they wrought—an inspiration and a stimulus to put our strength to-day into the corresponding task of kindling the flame and keeping it aglow in far Western fields." His Grace then dealt with the historic records of the Cathedral and the hopes which might well be treasured for its future as a shrine of prayer and praise to be "hallowed more and more by the constant enrichment of its sacred story as the months and years and centuries run on." He referred to the great channels of opportunity opening out in this new land and closed with an eloquent description of the place of the Cathedral in such a community as Quebec.

Late on Aug. 31st the Archbishop arrived in Montreal, was given a Luncheon on the following day by Sir George A. Drummond and in the evening preached at a special service held within the historic walls of Christ Church Cathedral. A Reception followed at the Diocesan College accompanied by an Address of welcome presented by Archbishop Bond of Montreal. In his reply the Primate spoke of the Mother-Church as a pivot upon which turned innumerable activities in all parts of the world and declared that it was for the centre of the Church to find out by closer contact the needs and aims of the Church in other lands. Luncheons and dinners followed and on the 3rd, 4th and 5th His Grace was in Toronto where he spent three crowded days. On the Saturday afternoon he visited the University of Toronto which, in special Convocation, conferred upon him the degree of D.C.L. In his brief address theology was described as a science and the student was told that "as he held the earnest truths committed to his charge he must follow all kinds of scientific advance with alert interest and without jealousy, suspicion or alarm." At Trinity University, a little later, an Address was presented from the Synod of Toronto by Bishop Sweatman. Speaking in reply, to an audience made up of Church of England adherents, the Archbishop referred to the roots of the Church in the Old Land, to the history which his own office embodied, to the responsibilities pertaining to his hearers in what must be one of the "world's great centres of life." There was here the

buoyancy and spring of youth and it was needed by the Church in its battles against the world's difficulties and wrongs.

He preached an elaborate and eloquent sermon at St. James Cathedral on the following morning and uttered a few brief words at St. Alban's in the evening. In the former address a most skilful analogy was made between the fellowship of the Empire, with its moving force of loyalty and power to nerve the arm and flush the cheek, and the fraternal fellowship of the Church of Christ. But the great speech of this most interesting visit was the one delivered to 400 business men of the City, who sat down to the Canadian Club's Luncheon, on Sept. 5th. His Grace here described himself as an optimist, the coming century as probably the greatest in the history of the world, the chief individual duty of every man as the fitting of himself, by God's help, for the responsibilities which might come to him. The loyalty of his audience, he hoped and believed, was of that solid kind which realized the gigantic, illimitable trust conferred upon citizens of the Empire. "For if you have come into your inheritance of power and responsibility, with growing manhood to-day, it is at a time when the Empire as a whole has realized what it and its greatness means, and it will be for you to make that answerableness bear fruit, as I have said already, in a worthy and ever worthier life of your own." Wycliffe College was afterwards visited as was the Toronto Exhibition and other institutions of the City. On the following day he was at Niagara Falls and from there passed into the United States where important addresses were delivered at Washington on Sept. 25th, at New York on Oct. 2nd, and at Boston on Oct. 6th. The Archbishop sailed for England on Oct. 14th.

Other British Visitors to the Dominion

Many other distinguished visitors from Great Britain, in varied lines of achievement and degrees of fame, came to Canada during 1904. In fact the number was phenomenal. The Duke of Sutherland, an enthusiastic supporter of Mr. Chamberlain, came in April and was the subject of varied rumours as to the Governor-Generalship of Canada. In Ottawa, on the 6th, he met the political leaders at a private luncheon and visited the House of Commons where he sat on the right of the Speaker. Accompanied by Sir Charles and Lady Ross he was in Toronto on the 8th where he was privately entertained. His Grace reached Victoria on the 19th, after a trip across the continent, and on the 25th addressed a meeting in the Winnipeg Board of Trade rooms where he dealt with the Food supply question, referred to his own travels in Australia and Africa and to his firm faith in the closer union of the Empire and declared that, in England, "we have at least one great statesman who is working heart and soul to make a self-contained Empire."

An even more enthusiastic advocate of this policy was Colonel Sir C. E. Howard Vincent, K.C.M.G., C.B., M.P., a pioneer in the

movement for closer trade and tariff relations, who was in Winnipeg on Sept. 16th addressing the Board of Trade. Upon this occasion he gave a history of the movement, paid tribute to Sir Charles Tupper's services and to the great work of the Canadian Preferential tariff; described Mr. Chamberlain's position and ultimate success and gave an effective description of the vastly different conditions existing in Cobden's time and upon which the Free-trade "fetish" was really based. In Toronto, on Sept. 20th, he addressed the local Board of Trade and was banqueted in the evening by the Empire Club of Canada with Lieut.-Col. Mason presiding and a number of prominent Imperialists present. Defeat would probably come to the Conservative party in the coming elections, but out of it, he said, would spring certain victory for Mr. Chamberlain in a few years. The boys of Upper Canada College were addressed on the following day and Luncheon was tendered him by the Premier of Ontario at the Parliament Buildings. On the 22nd Sir Charles was a speaker at the Canadian Manufacturers' annual banquet in Montreal, and the Canadian Club at Ottawa heard him speak on the 24th.

A visitor of a very different type was Mr. John E. Redmond, M.P., Leader of the Irish Parliamentary party, who was accompanied by A. J. C. Donelan, M.P., and Patrick O'Brien, M.P. He was in Toronto on Sept. 26th and delivered an eloquent address attributing his selection as Leader to Mr. Edward Blake, and describing the three accomplished steps toward Home Rule as the banishment of farmers, the abolition of coercion and the ousting of landlordism. Public opinion in Ireland must, he said, become as free as in Ontario. Irish County Councils had proved successful; Lord Dunraven and the landlords were now evolving a Home Rule scheme; and Ireland's opportunity was at hand. "I ask you to remember the days that are gone, to lift up your heads and greet the light that is at last falling upon the hills and valleys of Ireland." Large audiences were addressed in Ottawa on the 28th and in Montreal on the 29th. At the Toronto meeting $1,275 was subscribed toward the Irish election fund; in Ottawa $1,000 and in Montreal $2,000. Mr. Redmond afterwards toured the States with the same object in view.

On Oct. 3rd, the Rt. Hon. James Bryce, M.P., distinguished as an historian, an essayist, and a Liberal politician, was in Toronto and addressed a large gathering of the Canadian Club. After a personal tribute to the late Sir William Harcourt and testimony as to the great progress of Canada since his first visit here in 1870, Mr. Bryce proceeded to declare that all parties in England desired to maintain the Colonial connection and that the action of the Colonies in the South African War had greatly aided the sense of solidarity within the Empire. He appeared to favour closer union through the creation of an Imperial Council and to welcome the idea of Colonial contributions to Defence.

COLONEL SIR C. E. HOWARD VINCENT, K.C.M.G., C.B., M.P.
Addressed various meetings in Canada during 1904.

WILLIAM OSLER, M.D., F.R.S.
Appointed Regius Professor of Medicine at the University of Oxford, 1904.

As to Preferential trade and Mr. Chamberlain's policy he carefully defined the objections:

> The English Parliament would lose its own freedom if it came under a permanent bargain with the Colonies. It was bound to maintain its own resources, which varied from year to year; it was bound to maintain the strength of a great nation, and it was a supreme necessity that it hold perfect freedom to raise taxes or repeal the same according to the capacities of its own people. Under any permanent tariff agreement it would lose that freedom, and Canadians would also be tied. . . . Free trade suited England. They had prospered under it, and were attached to it. It was a country depending upon other countries for its supply of food, and it would take a great deal to induce them to part from a policy which long experience approved. . . . Going further and studying history it would be found very difficult to make commercial bargains without risk of provoking misunderstanding and ill-feeling among the Colonies. The raising of tariffs here and lowering there would bring accusations of giving more to one than to another, endangering the relations of perfect friendliness upon which they had hitherto stood, and engendering friction and irritation.

On Oct. 31st the Right Hon. John Morley, M.P., author, essayist of the most philosophical kind, and politician of a clear-cut Radical type, was welcomed to Toronto by the same Club at a most crowded Luncheon. An avowed and devoted follower of Cobden, a believer in Irish Home Rule, a survivor of the old-time Manchester school of anti-Imperialist thought, Mr. Morley was most uncompromising in his utterances. "Depend upon it," he said, "that for you here, with your own work lying to your hand, to suffer yourselves to be caught in the entanglements and quarrels of the old world would indeed be a poor compensation for the loss that you would suffer in the attention to your own development and your own good. . . . You have the advantage of being able, if you choose to perform that duty, of keeping away from the entanglements that necessarily, or otherwise, beset the statesmen who are responsible for Great Britain, and you will be unwise if you let go one shred of that great advantage." After this sweeping removal of Canada from the sphere of Empire responsibility it was perhaps superfluous to add that he believed in the Colonies having perfect freedom, that he was not a Little Englander and that, as a Liberal, he had "every affection and sympathy for the Colonies."

In the afternoon Mr. Morley received the degree of D.C.L. from Toronto University and delivered a most cultured address in response to the honour. He described conditions at Oxford and the influence for good which it had upon graduates—more perhaps in the moulding of character than in the actual acquisition of knowledge. It was specially and well adapted to the national and social conditions just as was the more strenuous system in Scotland and Canada fitted to adapt men to their local work. True education he defined as the building-up of character while in public life love of truth was declared the one essential. College men were specially fitted for politics, and he

stated that all the "front bench" men in the present British Parliament, on both sides, were graduates of Oxford or Cambridge. To Mr. Morley's conception of Canada's position in the Empire the Hon. George E. Foster took vigorous exception on the following evening. "If the Empire is attacked in one corner it is an attack upon the whole; if it is worth defending here it is worth defending in Australia." Meanwhile Mr. Morley had received an LL.D. degree from McGill University on Oct. 26th and had been a guest at Government House, Ottawa, for some days following.

Other prominent visitors of the year were too numerous to more than mention. Mr. Henry Norman, M.P., Liberal and bitterly anti-Chamberlain; Rev. Canon Glazebrook, Head Master of Clifton College; William Butler Yeats, Irish poet and playwright; Maj.-Gen. Sir W. G. Nicholson, K.C.B., of the British Intelligence Department on his way to the seat of Eastern war; the Very Rev. Dr. W. H. Barlow, Dean of Peterborough; and General Sir Henry Geary; were some of the earlier arrivals. In the Summer Colonel J. G. Hamilton, Special Commissioner Lord Borthwick and the Rev. Mark Guy Pearse; Sir Hugh Gilzean-Reid, LL.D., M.P., author, journalist and politician; the Earl to the Chinese Imperial Government; the Earl of Stamford, of Suffolk and Berkshire, A.D.C. to the Viceroy of India; Lord Monk-Bretton, a former Private Secretary to Mr. Chamberlain; Vice-Admiral Sir A. L. Douglas, K.C.B., Commanding the North Atlantic Squadron; Mr. F. C. Selous, the famous hunter; Maj.-Gen. Sir Frederick Carrington, K.C.B., of South African fame; and Sir J. P. Lister-Kaye, Bart., were amongst the visitors. The Autumn saw the arrival of Sir William Lloyd-Wise, a distinguished English expert in Patents; the Earl of Dartmouth, P.C., and the Earl of Lichfield; Mr. John Foster Fraser, F.R.G.S., journalist and politician; Sir Lauder Brunton, M.D., LL.D., F.R.S.; Miss Violet Brooke-Hunt, so well known for her patriotic services in connection with the South African War; the Earl of Euston, Supreme Grand Master of the English Knights Templar and son of the Duke of Grafton; Sir John Murray, LL.D., Ph.D., D.Sc., Scientist and Author; Sir W. H. White, K.C.B., F.R.S., President of the British Institution of Civil Engineers and Director of Naval Construction in London; Mr. E. H. Holden, Managing Director of the City and Midland Bank, a Radical and keen critic of Chamberlainism; Sir J. G. Scott, Governor of the Southern Shan States, Burmah; Mr. W. Evan Darby, LL.D., Secretary of the British Peace Society; Sir George Newnes, Bart., M.P., Proprietor of the *Strand* magazine, the Western *Gazette*, etc.; Sir Alfred Harmsworth, Proprietor of the London *Daily Mail;* Sir Felix Semon, M.D., Physician Extraordinary to the King; and Maj.-General Sir Thomas Fraser, K.C.B., C.M.G.

Canada and the Treaty-Making Power

The consideration of this question during the year, as raised by the Prime Minister in his Alaskan Boundary speech of 1903, indicated two lines of possible cleavage—the tendency of Liberal thought being toward this policy as a natural step in Canada's national development and the Conservative tendency being to regard it as (1) a step toward Independence, and (2) as unnecessary because of the actual possession of the power in co-operation with the British diplomatic Service. A considerable opinion in Great Britain seemed to consider the proposed step as dangerous to Imperial unity—if nothing were substituted for it; and as attenuating the silken chain of connection to an unwise point. Of course everything depended on what was really wanted. The *Globe* of Jan. 6th defined the issue as follows and was endorsed in its view by the Toronto *Star*: "This large and self-respecting community will not submit forever to be placed at a disadvantage in the conduct of diplomatic negotiations, though it may be necessary to submit the outcoming draft treaty to His Majesty for his approval and sanction."

Speaking to the general question in Toronto, on the above date, the Hon. Mr. Tarte said: "It is a silken thread which binds us to Great Britain, but how could Canada deal with Foreign countries without British *prestige* and power to help us through?" He went on to declare that without Great Britain's aid in this respect we would be worse off in the future than in any of the much-discussed incidents of the past. The Hon. Mr. Foster, on the following day, defined the existing condition as follows: "Say that the treaty to be made is with the United States. The matter is introduced by the British Minister, the facts and arguments are presented by the Canadian Commissioners. Here you have the accurate knowledge of the representatives of the country interested, backed by the trained diplomacy and *prestige* of the British Minister. The treaty is made and signed by the two acting together, but it does not go into force until it has been discussed and approved by the Dominion Government. What more could be required? The change proposed could not be obtained without practical Independence, and that meant more or less impotence of enforcement."

At the Canadian Club banquet in Ottawa on Jan. 18th Sir Wilfrid Laurier referred to the subject again. He did not indulge in definitions or particulars but his line of thought was visible in the general statement that "there are two policies before us. There is the policy of concentration and there is the policy of what we call decentralization or rather local autonomy." After protesting against the idea that this latter development and the treaty-making power meant the severance of the Colonial tie, he added: "There may be more local autonomy required." From this general view Sir Charles Tupper, in a long letter to the

press (Jan. 23rd), dissented strongly. Discussing the Prime Minister's interview with Mr. Lucy* he made his chief point in the claim that if a treaty could only be dealt with by the Imperial authorities through the veto of the King it would be a certain way of raising ground for dispute between the Crown and the people of the country thus treated in some important matter. The same letter appeared in the *Times* of Feb. 5th.

Prof. A. Shortt in the *Queen's Quarterly* for January, and Mr. Thomas Hodgins, K.C., in the *Canadian Magazine* for March reviewed the subject at length—one from an academic and the other from an historical standpoint. Very few references were made in Parliament to the matter although it had been debated at length as far back as 1870, and again in 1882, 1889 and 1892. Mr. Hodgins addressed the Canadian Club of Toronto on Apr. 18th reviewing the alleged losses of territory to Canada through mistakes in British diplomacy. Dr. Morley Wickett, in a press interview on the following day, deprecated this line of argument and thought the subject should be discussed from present-day requirements and conditions. Mr. A. H. U. Colquhoun of Toronto addressed the above Club upon this subject on Dec. 12th advocating a change in the machinery but so as not to affect Imperial unity. The following from the Vancouver *World* (July 28th) may be cited as strongly representing a view already referred to:

> The Premier of Canada is received in Europe with nearly all the honours accorded a visiting Sovereign. Our right to control our military affairs has again been conceded, and no more will an Imperial officer come to this country with the idea that he can dictate our military policy. We are now forming the nucleus of a Canadian Navy. A logical step, which will be taken sooner or later, is the assumption of the Treaty-making power, subject, of course, to the Imperial veto.

Occasional Discussion of the Independence Idea

Casual and academic references to Canada as an independent nation were heard during the year but they were few and without directness. The work of the Canadian Nationalist League in 1903 was supplemented in the Province of Quebec by the establishment on Mar. 6th, 1904, of a Sunday journal in Montreal called *Le Nationaliste*, "Absolute autonomy" for Canada and keen opposition to Imperialism, or Colonial aid to the Empire, or partnership in its purposes, constituted the platform. Mr. H. Bourassa, M.P., was a contributor to its first number and frequently afterwards wrote for it. The following announcement was made in the initial publication:

> Neither anti-Briticism nor anti-Imperialism is our *raison-d'etre*. We have drawn from a wider thought, more profound and positive sentiment, the strength to found this paper. This thought is the creation of a national spirit that may distinguish us among the peoples of the world; this sentiment, the love of the soil that our ancestors would never have imbued with their blood if they had believed that one day, instead of

* NOTE—See *Canadian Annual Review* for 1903, pages 328-31.

bearing a sovereign people and bringing forth the fruits of liberty, it would dissolve ingloriously into an Empire whose colonies, like those of ancient Rome, would exist only to furnish their Mother-land with treasure and with blood.

This platform received immediate support from Mr. Goldwin Smith in a letter addressed to the journal* and published on Mar. 20th. He hastened to enroll himself a subscriber and to declare that "I hail with joy" your appearance. The non-British element of Canada's population could hardly be expected to see without a protest "their interests sacrificed to those of a political party in Great Britain." Nor, he declared, could the French-Canadian allow himself "to be despoiled of the least portion of his autonomy, or sacrifice the fruits of his toil, in order to realize an Imperialistic dream." To Mr. Bourassa he wrote personally a letter which appeared in the paper on Aug. 14th. After referring to the South African War as being "ignoble in its real motives, disastrous in its course and miserable in its results," this remarkable Englishman proceeded to inform his French-Canadian audience, *via* Mr. Bourassa, that: "Neither is the glory of England enhanced by destroying the independence of secondary States, nor when, with the use of improved arms, she decimates uncivilized peoples and races as brave as her own, and which contain the germs perhaps of future nations. The cause of the Dutch in South Africa resembles that of your own compatriots in Canada, but fortunately for your people, the Liberal party was then dominant in Great Britain." Speaking in Toronto on St. Patrick's Day Mr. A. T. Hernon, Chairman of a large Irish meeting, declared that "We are all good Canadians and hope some day to see Canada free and independent." At a St. John banquet on May 20th the Hon. J. W. Longley, Attorney-General of Nova Scotia, spoke pretty plainly in this regard:

It would awaken Canadians to the consciousness of their power and give birth to a legitimate yearning for a national status. Others may think as they please and may cherish what ideals they please, but as for me I shall never cease to proclaim, whenever I address a body of enlightened and thoughtful Canadians, that in my heart of hearts I have dared to dream that Canada shall be a nation and the Canadian name be everywhere the symbol of strength which shall command respect throughout the whole wide world.

An interesting line of thought was pursued by Mr. J. S. Ewart, K.C., of Winnipeg in a series of addresses during the year —Canadian Club, Toronto, on Mar. 31st, Canadian Club, Ottawa, on Apr. 25th, and the same Club in Winnipeg on May 20th. He did not advocate actual separation but, after defining the various requirements to complete nationality which Canada lacked, and the ties or constitutional links still binding her to the Empire, he summarized his advice (at Toronto) as follows:

* NOTE—Mr. Bourassa was constantly before the public in connection with this League and the journal, but he denied being a member of the one or in control of the other.

"Go on as you have been going always towards greater freedom. If he were asked—are you in favour of Independence? he would answer, define independence. If Legislative independence was meant, he would say, yes; if by independence was meant separation from the British Crown, he would say, no! He wanted to see the Canadian Parliament as omnipotent as the British, and Canadian Ministers advising the King in matters Canadian as British Ministers do in things British, and Downing Street interfering as little with Ottawa as Ottawa does with Downing Street." The King should be entitled, as he really was, "King of Canada." Speaking to a great Scottish gathering at Renfrew on July 1st, Lord Dundonald made an interesting reference to tendencies in this connection:

> Unless the British Empire is supported by the loyalty of all her children, ungrudgingly given and without reservation, that Empire must pass away, and with it will also pass away those liberties which, possessing, perhaps you may little consider, but which, once lost, you may never regain. Beware, gentlemen, I repeat; beware of that silent yet insidious weakening of the ties which is more dangerous even than open and declared hostility.

In a letter to the London *Times* early in September, Mr. W. D. Lighthall, a Montreal publicist, expressed himself in a somewhat new form: "Any Imperialistic proposal, whether it be that of contribution to the Navy, or any other, must reckon with the fact that the Canadian people are, and always will be, a separate and independent nation. Imperialism can take no other form than an alliance; it is useless to discuss any other." Toward the end of the year (Dec. 18th) Mgr. Archambeault, Bishop of Joliette, addressed the students of Laval University very concisely and clearly: "Prepare yourselves to serve your country. I dream of our French Canada liberated; free and independent. This will transpire without commotion when the hour has come and at the head of my free and independent country I dream that I see the students of our dear University." These remarks evoked applause and were taken up seriously by *La Patrie* and criticized as unwise and inadmissible. The Bishop replied and said that he had been misunderstood as his thought was of a future Canadian nation, independent by gradual process of development, and not a "French Canada."

In Parliament there were occasional references to this subject evoked by the possibilities supposed by some to be lurking in the Treaty-making suggestions, in the Dundonald and "Foreigner" incident, or in the amendments to the Militia Act. Colonel S. Hughes made a fiery comment in the Commons on June 12th. "This country shall not become independent of Britain because the people who never hesitate to come to the point in time of necessity have decided to remain British if they know their own business." Speaking in Montreal, on Jan. 29th, Mr. J. G. H. Bergeron expressed a Conservative French-Cana-

dian view when he said: "I am a firm believer in British connection, and I do not hesitate to state that I strongly favour Canada remaining a part of the great British Empire. I want to see our people always remain firmly, and I may go further and say fondly, attached to British institutions under any and every circumstance. I look upon England as our natural market, and we must help in whatever way we can to increase our trade with the Mother-land." In a letter written to the Birmingham *Daily Post* (Sept. 10th) Mr. Charles Marcil, M.P., informed its English readers that "Canada will remain part and parcel of the Empire as long as the Province of Quebec, which is the key-stone of Confederation, wishes it." At the Montreal banquet to Lord Minto on Oct. 13th the Hon. Mr. Tarte was very explicit in his opinion. "I say that the destinies of Canada are irrevocably bound up with the destinies of Great Britain." There the subject may be left.

The Canadian Associated Press and Imperial News

This News Agency in London, established in 1903 by means of a contribution of $15,000 a year from the Dominion Government with a similar sum from certain leading Canadian papers, was the object of considerable discussion during the year. The general tenour of its service could hardly be termed favourable to the Imperial unity idea, however impartial it might be and apparently was, in the quotation of political statements. One despatch quoted a sharp anonymous attack by some unknown Englishwoman upon the manners of Canadian sales-girls and, though the comment was neither of value nor importance, aroused in Canada an unusual measure of ill-feeling and caustic press correspondence. Some extracts from obsolete geography text-books were ferreted out to illustrate British ignorance of Canada. Extracts from an anonymous writer in an Australian paper and from an editorial in a Natal paper, were cabled to indicate a "cut the painter" idea in those Colonies while the multitude of British and Imperial editorials in the great organs of public opinion in Australasia or South Africa were never mentioned during the year. On Aug. 22nd a quarter-column despatch recorded some silly stuff from another anonymous correspondent in a British sporting paper. On another occasion, an Irish writer's reference to the "Secessionist threats" of Messrs. Drummond and Ames at some banquet was deemed worth cabling over while a statement in a London paper called *The King,* criticizing the proposal for a Canadian Regiment in India, was so cabled and published as to make it appear that His Majesty had uttered the words. Many other anonymous references might be quoted though none could be as serious in their effect as were the similar ones sent during the Alaskan affair.

Perhaps the most discussed statement was the account of Scholes' victory in the Diamond Sculls contest at Henley as taking place amidst cries of "the foreigner wins." The despatch

came shortly after Sir Wilfrid Laurier's use of the word at Ottawa and was the cause of much comment in the Liberal press. Conservatives claimed that it was invented for that purpose and Mr. J. S. Brierley (Montreal *Herald*), President of the Canadian Associated Press, at once cabled Mr. C. R. Robertson regarding it. He replied that his despatch was accurate and that fully a score of times he had heard the word applied to Scholes. Denials of the general conclusion were many and, curiously enough, the *Telegram,* which editorially endorsed the correspondent, published a special description of the race on July 16th stating that "though it was an Englishman beaten the victory was a popular one." Lou Scholes himself declared that he never heard the word used. Of course, it was quite probable that in such a tremendous crowd of every class some would be found ignorant enough to use the phrase but the despatch certainly indicated a general expression of such feeling. Mr. Scholes in speaking at Toronto on July 27th gave the following account of his treatment:

> After I won the championship, the Leander, Thames and London Clubs all gave banquets in the evening, and I had to say a few words at each. There were pleasant words from all sides. They made me an honourary member of the Sports Club in London, and of the Leander, the Thames and the Vesta Rowing Clubs. At two in the morning a crowd of 10,000 people made me address them from the City Hall, after carrying me all over town.

Other matters might be mentioned such as the alleged interview with Lord Strathcona over the Grand Trunk Pacific scheme; the hostile comments of the Winnipeg *Telegram,* Montreal *Star* and Montreal *Witness* regarding the Agency; and the debate in Parliament on the subject (Aug. 6th) of the Healy telegram when Mr. S. Barker made a vigorous attack upon the reports. The Board of the C.A.P. seemed, however, quite satisfied and on Aug. 4th passed a Resolution, on motion of two Conservative members—Messrs. W. F. Maclean, M.P., and W. J. Douglas—expressing "unbounded and unqualified confidence" in its officers and, presumably, its correspondents.

IMPERIAL INCIDENTS OF CANADIAN CONCERN

Jan. 5.—Mr. T. B. Macaulay of Montreal writes to the *Times* urging the adoption of a small, moderate, and distinct British and Colonial duty upon foreign imports—the proceeds to be applied to Empire defence.

Jan. 20.—The Australasian *Review of Reviews* appears with an editorial written by Mr. W. T. Stead announcing his re-assumption of control in that publication and the retirement of Dr. W. H. Fitchett, the late Editor (an Imperialist), because of their "political differences."

Jan. 21.—Mr. W. Albert Hickman, of London, lectures before the Montreal Reform Club on "Anglo-Canadian Relations"; supports Mr. Chamberlain's policy and the gradual construction of a Canadian Navy.

Jan. 22.—It is announced that Mr. Samuel George Archibald, B.C.L., son of Mr. Justice Archibald of Montreal, has been selected by the Egyptian Government to be Professor of Law in the University of Cairo.

Feb. 5.—Sir Gilbert Parker, M.P., succeeds Mr. Alfred Lyttelton, M.P., now Colonial Secretary, as Chairman of the Imperial South African Association.

Feb. 9.—A British blue-book makes public a despatch of Oct. 22nd, 1903, signed by Lord Curzon, Viceroy of India and by representatives of the Finance and Commerce Departments of that Empire, replying to inquiries as to the effect of a Preferential tariff policy upon India. The conclusion is unfavourable :

"That without any such system, India already enjoys a large, probably an exceptionally large, measure of the advantages of the free exchange of imports and exports.

2. That if the matter is regarded exclusively from an economic standpoint, India has something, but not, perhaps, very much, to offer to the Empire ; that she has very little to gain in return, and that she has a great deal to lose or to risk.

3. That in a financial aspect, the danger to India of reprisals by foreign nations, even if eventually unsuccessful, is so serious and their results would be so disastrous, that we should not be justified in embarking on any new policy of the kind unless assured of benefits greater and more certain than any which have, so far, presented themselves to our mind."

Mar. 12.—The Australian Department of Defence is advised by the British Admiralty that it has been decided to allot a certain number of commissions in the Royal Navy Medical Service to qualified candidates in Australia and New Zealand.

May 1.—Colonel Sir George Sydenham Clarke, K.C.M.G., contributes to the *Nineteenth Century* an article proposing a one per-cent. duty on all foreign goods discharged at Imperial ports—the proceeds, of about £4,000,000, to be spent upon bounties to the merchant vessels of the Empire and to be administered by an Imperial Maritime Council of 15 members.

May 2.—Sir Alfred Jones, M.P., gives a banquet at Liverpool in honour of Messrs. G. E. Drummond and A. J. Hodgson of Montreal and announces that the Elder-Dempster Line will, for a while, carry a certain quantity of Canadian goods to the Cape free in order to encourage inter-colonial trade.

May 12.—Mr. Bruce Smith, K.C., M.P., lectures in Sydney and declares the true Imperialism to consist in viewing the Empire as "a great national firm in which we are the junior partners." When the people of Australia are ready to make some local sacrifices in the interests of the firm they would understand the real Empire spirit.

May 23.—Mr. N. W. Hoyles, K.C., President of the Upper Canada Bible Society is nominated a Vice-President of the British and Foreign Bible Society of London.

May 24.—The first Empire Day celebrations take place in England. Thousands of school-children participate and the Earl of Meath, as the energetic promoter of the movement, presides at a meeting in London and reads telegrams of congratulation from the Premiers of Australia and Cape Colony.

May 26.—Mr. J. S. Larke, Canadian Commercial Agent in Australia, lectures in Sydney, and views with much pessimism the conditions of New South Wales. The fundamental principles of prosperity —education of the masses and national thrift—were being disregarded. The laws kept men off the land and left it idle while unwise taxation and labour troubles prevented financial confidence and promoted pauperism.

May 27.—The death is announced of Maj.-Gen. Sir John Carstairs McNeil, K.C.M.G., C.B., Military Secretary to Lord Lisgar when Governor-General of Canada, in 1865-72.

May 29.—The Hon. Edward Blake, K.C., M.P., in a speech to his constituents at Longford expresses the belief that Home Rule will be acquired in a few years and tells them that he had found it necessary on account of age and health to give up either professional work or politics. "I have decided to give up one and stick to the other so long as you want me to stick to you, and, therefore, although with lessened energies, yet with a more concentrated use of those energies for the Irish cause. I hope, as soon as arrangements can be made, and in the course of the next year, to give my single attention to those concerns which you entrust me to represent."

June 2.—At a Canada Club Dinner in London, Mr. C. A. Duff-Miller of New Brunswick, states that 145 young Canadians are now in the Imperial Service—Cavalry 1; Artillery 36; Engineers 41; Infantry 35; Army Service Corps 11; Indian Staff 11; Unattached and Honourary 11.

June 16.—The announcement is made of Sir Percy Girouard's resignation as Commissioner of South African Railways. His great services during the War are eulogized by Lord Milner but a minority Report of the Select Committee of Inquiry into Railway Administration suggests that his financial knowledge is not so great as his recognized ability as an organizer and railway expert.

July 1.—A banquet is held in Johannesburg, South Africa, in honour of Dominion Day with Colonel S. B. Steele, C.B., M.V.O., in the chair and with speeches by Sir Percy Girouard, Major McInnes, D.S.O., Major A. E. Hodgins and others.

July 2.—The Hon. Charles P. McKellar of Sydney, a Senator of the Australian Commonwealth, visits Toronto on his way through Canada.

July 12.—An event of personal interest to many Canadians is the marriage of Lady Marjory Gordon, only daughter of the Earl and Countess of Aberdeen, to Captain Sinclair, M.P., which takes place at Kensington, with the Archbishop of Canterbury and the Bishop of Peterborough officiating. Amongst the gifts is a handsome gold chain from the National Council of Women of Canada.

July 18.—H. R. H. the Duke of Connaught visits the Bisley Camps and inspects the Natal, New Zealand and Canadian teams—the latter under command of Lieut.-Col., W. P. Anderson.

July 20.—The Canadian Bowling Team which has been touring England and Scotland and been the recipients of great hospitality and much attention are entertained in Edinburgh by the Lord Provost and Corporation.

July 27.—The University of Oxford confers the honourary degree of D. Sc. upon Dr. T. G. Roddick, ex-M.P., of Montreal and Dr. William Osler of Baltimore, U.S.

Aug. 1.—A Report of the Pacific Cable Board shows efficient operation of the Cable during 1903-4; revenues of £81,832; messages numbering 176,351; and expenditures, including annuity, renewal fund and working expenses, which will leave a deficit of £80,810 payable by the contributory Governments.

Aug. 3.—In a London interview Mr. A. B. Aylesworth, K.C., states that he is delighted with the workings of the Judicial Committee of the Privy Council as it affects Canada and would dislike any curtailment in the matters now subject to appeal.

Aug. 9.—Earl Percy, Under-Secretary for Foreign Affairs, announces in the House of Commons that Germany, Austria, Italy and Russia have accepted the Egyptian clauses of the Anglo-French Agreement and have undertaken not to obstruct British action in Egypt by asking that a limit of time should be fixed for the British occupation or to in any other manner obstruct British policy in that country.

Aug. 16.—His Majesty the King approves the appointment of Dr. William Osler, F.R.S., Professor of Medicine at John's Hopkins University, Baltimore, U.S., (a Canadian) to be Regius Professor of Medicine at Oxford University.

Aug. 26.—Mr. George Broomball, Editor of the *Corn Trade News*, writes to *The Times* that indications are promising for a future in which Canada, India and Australia will be able to supply Great Britain with the whole of the 26,000,000 quarters of wheat required from external sources to feed its people.

Sept. 22.—The British Empire League in Australia passes a Resolution in favour of uniting British communities by a continuous chain of State-owned telegraphs around the globe.

Sept. 30.—Sir W. Arbuckle, lately Speaker of the Natal Legislative Council is appointed Agent-General in London in succession to Sir Walter Peace.

Oct. 13.—Under this date Sir Frederick Pollock contributes to the *Times* a summary of possible constitutional reforms in the Imperial system and seems to favour an Imperial Committee of the Privy Council—a body representative of the Colonies and advising the Cabinet.

Oct. 22.—The death of the Rt. Hon. William Edward Hartpole Lecky, P.C., LL.D., M.P., removes Ireland's greatest historian from the scene.

Nov. 2.—It is announced that Mr. J. W. Cay, Australian Minister of Defence, has completed a scheme of re-organization, providing for a Council of experts, exchange of Australian and Imperial officers for a term of years, improved instruction, equipment of citizen forces, construction of a nucleus for an Australian coastal navy to protect the ports and harbours, and co-operation with the Imperial Government in the maintenance of coaling stations.

Nov. 4.—Under this date the Rt. Hon. G. H. Reid, Premier of Australia, writes to the Governor-General, on behalf of his Government, urging that the Imperial Government accord recognition to marriages legally made in Australia by men with the sisters of their deceased wives. "Grave hardships and personal degradation" have, he says, resulted from the conflict in this respect between Imperial and Colonial law.

Nov. 5.—The *Standard* of London announces that it has to-day passed into the posesssion of Mr. C. Arthur Pearson—the well-known supporter of Mr. Chamberlain. A couple of weeks later it is stated that Mr. H. A. Gwynne has been appointed Editor with Mr. S. H. Jeyes retaining his post of Assistant Editor.

Nov. 12.—It is announced that Dr. Ernest Rutherford, Professor of Physics at McGill University, and an eminent authority upon Radio-activity has been awarded the famous Rumford Medal of the Royal Society of 1904. Previous recipients include Davey, Brewster, Farady, Stokes and Tyndall and it is awarded every two years "to the author of the most important discovery or useful improvement" as to heat or light in the preceding period.

Nov. 18.—The Chairman of the Eastern Extension, Australia and China Telegraph Company informs his Directors that while the Governments concerned in the Pacific Cable are losing some £100,000 a year the Company is also suffering a serious loss through the action of the various Governments.

Dec. 5.—Mr. Premier Jameson, of Cape Colony, speaking at Grahamstown stands firmly upon the Chamberlain platform:

> "Then, generally speaking, as far as we Colonists are concerned, we must range ourselves beside those other great Colonies, Canada and Australia, in cordial support of Mr. Chamberlain's policy up to the hilt. We must be 'whole hoggers,' no retaliating policy, but fully adopting all Mr. Chamberlain's proposals, and to bring about those proposals we would welcome at the earliest possible moment that latest proposal of his as to an Imperial Conference; and it is our earnest hope if that Conference takes place that it may not separate until there shall have been furnished some scheme

of mutual reciprocity between the various portions of the Empire, leading, as we are sure it will, to the tightening of the bonds of an Empire of which we in South Africa claim to be no unimportant part."

Dec. 9.—It is announced that Major W. C. G. Heneker, D.S.O.—son of Mr. R. W. Heneker of Sherbrooke—has been promoted to the rank of Lieut.-Colonel in the British Army.

Dec. 18.—Major W. C. G. Heneker of the Connaught Rangers is decorated by the King with the D.S.O.

Dec. 30.—In connection with the complaints as to certain Canadian customs regulations under the "Dumping" clause of the Tariff a letter is read at the meeting of the Liverpool Chamber of Commerce confirming the news of a satisfactory adjustment of the matter.

BRITISH EMPIRE STATISTICS, 1901-2.

Area, square miles	11,755,353
Population, excluding Egypt, etc	400,543,713
Revenues	$1,421,625,000
Expenditure, including British War Expenses of year	1,668,785,000
Debt	6,786,770,000
Imports	4,179,535,000
Exports	3,268,715,000
Registered Tonnage of Vessels—	
Steam	8,193,202
Sailing	2,930,765
Tonnage of Shipping entered and cleared at Empire Ports	241,835,527
Railway mileage	88,192
Gold production	$215,633,675

CANADIAN INCIDENTS OF IMPERIAL INTEREST

PROCEEDINGS OF THE EMPIRE CLUB OF CANADA.—A series of weekly luncheons are held by this organization, presided over by Lieut.-Col. James Mason. Empire or collateral subjects were treated in the following order:

Jan. 7.—Imperialism in Education. Rev. Chancellor Burwash, S.T.D.

Jan. 14.—Canadian Sentiment. Benjamin Sulte, F.R.S.C.

Jan. 21.—Thoughts about Canada and Australia. Hon. W. H. Montague.

Jan. 28.—The Qualities which go to Make a good Citizen of the Empire. A. Monro Grier, K.C.

Feb. 4.—The Fatuous Insolence of the Canadians. A. T. Hunter, B.A.

Feb. 11.—The Canadian National Character. Principal Maurice Hutton, M.A., LL.D., of University College, Toronto.

Feb. 18.—The Relations of Canada, the Motherland, and the United States. Cyrus A. Birge.

Feb. 25.—Our Empire Cables. Sir Sandford Fleming, K.C.M.G., LL.D.

Mar. 3.—The Loyalty of French-Canadians to the Empire. Hon. L. P. Brodeur, K.C., M.P., Minister of Inland Revenue.

Mar. 10.—Conscience as a National Asset. Rev. Chancellor Wallace, D.D.

Mar. 17.—The University and the People. Very Rev. Principal Gordon, D.D., LL.D., of Queen's University, Kingston.

Apr. 21.—Three Imperial Topics:
I. Imperial Ignorance, Henry C. Osborne.
II. Imperial History, Dr. John Ferguson.
III. Imperial Unity, Barlow Cumberland, M.A.

Apr. 28.—Practical Imperialism. Byron E. Walker, D.C.L.

May 5.—Two Pillars of the Empire. Right Rev. J. P. DuMoulin, D.D.

Sept. 20.—Preferential Trade. Colonel Sir C. E. Howard Vincent, K.C.M.G., C.B., M.P.

Nov. 10.—Cyprus—Its Place in the Empire. Rev. Professor H. T. F. Duckworth, M.A.

Nov. 25.—Imperialism. Mr. W. Wilfred Campbell, F.R.S.C.

Dec. 8.—The First Great English Imperialist. Professor D. R. Keys.
Dec. 15.—Condensed Militarism in Canada. Capt. A. T. Hunter, B.A.
Dec. 22.—Our National Outlook. Rev. Dr. W. T. Herridge.

Jan. 10.—The Militia Department announces that the age regulation regarding Commissions obtainable in the Imperial Army by officers of Colonial Militia forces has been raised from 18 and 22 years to 18 and 25 years.

Jan. 14.—It is announced at a Luncheon of the Empire Club of Canada that Lord Strathcona has accepted the Hon. Presidency. Mr. Chamberlain is also elected an Honourary Member.

Feb. 12.—Colonel Lawley, of the Remount branch of the Imperial Forces, arrives in Ottawa and holds a conference with the Minister of Militia upon the question, presumably, of making purchases in Canada.

Mar. 3.—Mr. R. W. Hicks, Principal of the Queen Victoria School, Toronto, tells the *Globe* of a two year series of letters which have been interchanged between his pupils and others in Great Britain and Australia with a view to promoting knowledge and unity.

Mar. 16.—The annual meeting of the British Empire League in Canada is held at Ottawa and passes Resolutions (1) expressing regret that statements should be made alleging Canada to be unfavourable to mutual Preferential tariffs ; (2) declaring that the subject of Canadian Naval defence is deserving of the best consideration of the country ; (3) approving a continuous British chain of Cable-telegraphs around the globe and, (4), expressing approval of Sir F. Borden's appointment to the Imperial Defence Committee. Lieut.-Col. G. T. Denison is re-elected President.

Mar. 16.—The second Report of the Canadian Patriotic Fund Association shows the total receipts as $339,975 and the expenditures to Jan. 11th as $236,654.

Mar. 14.—The second number of *Le Nationaliste* of Montreal contains a letter from Mr. H. Bourassa, M.P., stating " that the entire press of the Province of Quebec condemned the participation of Canada in the South African War, and approved the Premier's refusal to enlist troops ; that after the inflammatory appeals of Sir Charles Tupper and the Ministry's change of front, the organs of both parties performed their right-about face with the utmost reluctance—except *Le Soleil*."

Apr. 7.—In an interview (Montreal *Witness*) Dr. G. R. Parkin speaks of the proposed treaty-making power as follows : " Certainly, larger powers, if you can enforce the larger powers. Make your treaties, by all means, only be sure that you have the means to enforce them. If I wanted to be independent I would be independent in a manly way. I would not be dependent in a sneakish way. I would not say that I must have larger powers, and at the same time look about for British ships to enforce my treaties."

Apr. 26.—Committees are formed and action commenced by the South African Memorial Association in Toronto to erect a $30,000 monument to Canadian soldiers killed in the late War. Of the General Committee, Chief Justice Sir W. R. Meredith is chosen Chairman, Lieut.-Col. J. Mason, Treasurer, and Mr. Sydney H. Jones, Secretary. Mr. D. R. Wilkie is Chairman of the Finance Committee and Dr. G. Sterling Ryerson of the Site and Designs Committee. The design eventually accepted is that of Mr. Walter S. Allward.

Apr. 29.—A Memorandum, afterwards published in pamphlet form, is submitted to the Montreal Bar by its Batonnier, Mr. Donald Macmaster, K.C., urging certain reforms in the procedure and costs of cases before the Imperial Privy Council.

Apr. 29.—A London *Times'* correspondent states the losses of British Insurance Companies in the Toronto fire at £560,000, or 40 per cent. of the total premium income derived from all Canada.

May 19.—In connection with a question as to the national flag of Canada it is stated that the Union Jack with the Canadian emblem is the national flag for the use of citizens and Mr. Barlow Cumberland, an authority in the matter, describes the Union Jack without the emblem as being the official flag of the whole Empire for use upon buildings such as the Parliaments at Westminster or Ottawa, and over all garrisons of His Majesty's forces.

May 23.—*Le Nationaliste* of Montreal has an article vigorously demanding the abolition of all appeals to the Imperial Privy Council although admitting the good-will and fairness of its decisions.

May 28.—It is stated that Major Edmund M. Morris of the Devonshire Regiment and a native of Guelph, Canada, has been appointed Commandant of the Orange River Colony Volunteer Force.

June 6.—The Hon. R. P. Roblin, Premier of Manitoba, approves in an interview of the proposal to build or obtain a Summer residence in Winnipeg for the occasional use of the Governor-General of Canada. A yearly visit of several weeks would be of much service to the City and the Provincial Government would be willing to recommend a substantial amount to the Legislature if the City would also act. The suggestion is approved by many leading citizens.

June 8.—The annual Report of the Secretary of the Grand Lodge of Orange Young Britons urges the desirability of closer Imperial union, contribution to Empire defence, and the maintenance of one flag and one Imperial Parliament.

June 20.—Mr. E. J. McMillan, B.S.A., and Mr. Stewart Galbraith, B.S.A., graduates of the Ontario Agricultural College, are stated to have accepted positions in the Department of Agriculture of the Orange River Colony.

June 21.—The Union Steamship Company of New Zealand entertain 50 representatives of the commerce of British Columbia at luncheon on their steamer *Manuka* and various speeches are made dwelling on the desirability of Australian and Canadian interchange.

June 21.—Lieut.-Col. George T. Denison reads a paper at the St. John meeting of the Royal Society of Canada upon "The influence of the Loyalists in Canadian History."

July 8.—At a meeting of the Board of Trade in Victoria, B.C., Lord Monk-Britton, a one-time Secretary to Mr. Chamberlain, advocates a commercial treaty between Great Britain and Canada.

July 23.—Private S. J. Perry of Vancouver wins the King's prize for shooting at Bisley in the presence of the Prince of Wales and F. M. Lord Roberts. New Zealand wins the Kolapore Cup and Natal the Mappin prize.

July 23.—It is stated in the *Times* that at the St. Louis Exposition, Canada held itself aloof from the other countries of the Empire and formed no official relations, whatever, with the other British or Colonial Commissioners.

Aug. 6.—Mr. Honore Gervais, K.C., addresses the House of Commons in favour of the establishment of a Canadian Consular Service. He represents the British Service as ineffective, so far as Canada is concerned, despite an expenditure of $4,046,065 upon its maintenance. Russia is stated to spend $3,040,000, Germany $3,704,500, France $3,520,000 and the United States $1,216,756 in this connection.

Aug. 25.—Mr. John Coates, of Ottawa, recently returned from New Zealand, tells the *Citizen* that: "If the Canadian Pacific Railway will give to the Canadian manufacturers the same rates which I understand the Great Northern and Northern Pacific give to American manufacturers, Canadian trade between the two countries would greatly increase. The imports to New Zealand last

year were about seven million dollars. If Canadian manufacturers can induce the Government to put on a line of freight steamers, and are alive to their own opportunities, they ought, with the Preference, to secure at least four million dollars of this trade."

Sept. 29.—The Band of the Black Watch, or 42nd Highlanders, is welcomed at Ottawa by large crowds. A great reception is accorded them throughout their tour of Canada.

Sept. 23.—The Government is advised that His Majesty the King has consented to the portraits of himself and Queen Alexandra being painted for the Dominion House of Commons Chamber, by Mr. J. Colin Forbes, R.C.A.

Oct. 13.—The Hon. David Wark, Canada's centenarian Senator, writes the St. John *Evening Times* urging British peoples to unite in (1) forming a new Imperial Parliament, (2) establishing a Central Government with Members from all parts of the Empire, (3) assumption by such Central authority of all Colonial debts, (4) establishing free trade between all British countries.

Oct. 20.—A statue to the late Queen Victoria, erected by public subscription, is unveiled at Winnipeg in the grounds of the Legislative Buildings by the Lieut.-Governor of the Province.

Oct. 24.—Commenting on the Russian fishing fleet outrage Mr. Honore Gervais, K.C., M.P., Professor of Inter-colonial Law at Laval University, Montreal, makes the following vigorous remarks: "If the report as we have read it is true, there is no doubt that Russia has made a *casus belli*. It is the most dastardly thing of the kind that we have yet heard of, and it demands an instant apology, together with compensation. If this is not forthcoming within the regulation time, England can only have one manner of action. Russia must be given a sound thrashing, such as she will never get over."

Oct. 28.—The Grenadier Guards' Band, in its most successful tour of Canada, is given a great reception in Winnipeg.

Nov. 16.—H. E. the Countess of Minto, before leaving Canada, issues a statement regarding her efforts to mark with memorials the graves of Canadians who fell in the South African War. Of these 25 still remain unidentified, but by this date the remaining 193 would be duly marked at an expenditure of about $8,000—leaving $5,000 to erect a general Memorial in Pretoria.

Dec. 2.—It is stated that Dr. J. A. McIntosh Bell, F.R.G.S., of the Canadian Geological Survey and, later, of Harvard University, has been appointed Government Geologist of New Zealand.

Dec. 29.—Dr. William Osler, the newly-appointed Regius Professor of Medicine at Oxford in addressing the Canadian Club, Toronto, makes the following reference to Imperial relations:

"Now, a great deal of nonsense is talked with reference to the difficulties in the way of Imperial Federation. I do not see that the difficulties are in any way to be considered in comparison with the remarkable attitude of the entire Empire upon the question. The chief difficulty on the part of the British beyond the seas is that they want everything and are not willing to give anything. Now, if, as Canadians, we are going to be an integral part of a great world-wide Empire, we have got to take our share in the responsibilities of Empire. You cannot expect the Mother Country constantly to be providing for her children. This country is now approaching manhood, and it is high time for it to be taken into partnership and allowed a voice in the affairs of the Empire and to bear its fair share of the expense, so far as is proportionate to a Colony or to a free portion of such an Empire."

VII.—RELATIONS WITH THE UNITED STATES

General Relations of the two Countries

There was no serious friction between Canada and the States in 1904. The Alaskan Boundary affair came up for spasmodic discussion and the Dominion Government issued a blue-book containing the preliminary correspondence, the Award, and the expressed opinions of the various members of the Tribunal. Judge Hodgins of the Admiralty Court of Ontario issued one of his careful pamphlets upon the subject; Mr. F. C. Wade, K.C., wrote about it in the *Canadian Magazine* for February; and Mr. G. S. Holmstead in the *Canadian Law Review* of the same month. On Feb. 15th it was announced that Mr. O. E. Tittman of the United States Coast and Geodetic Survey and Mr. W. F. King, Dominion Astronomer, had been appointed Commissioners to delimit the boundary line as decided by the Tribunal. In the Canadian Senate on Mar. 14th, 15th and 16th the subject was discussed and on the first date the Hon. Mr. Ferguson drew attention to Sir Wilfrid Laurier's speech in the Commons on Mar. 7th, 1898, appearing to admit certain parts of the American claim and quoted to that effect by the United States counsel before the Tribunal.

On the following day the Hon. R. W. Scott spoke rather bitterly as to the Imperial Government being "callous and indifferent" when Canadian interests came into conflict with those of the United States. "English diplomacy sacrificing Canada upon the altar of friendship to the United States" was the basis of his argument. Speaking at Laval University (Apr. 27th) Sir Louis Jetté was reported to have said that the Award given was a matter of negotiation, with the decision arranged in advance. This was telegraphed widely and widely commented on but was denied two days later and declared "entirely inaccurate." In a British paper called *Young Men* there appeared, late in September, the record of an interview between President Roosevelt and the Rev. R. J. Campbell, in the preceding year, in which the former remarked to the English preacher: "Your statesmen are not treating us well over the Alaskan question, but I have made up my mind not to budge an inch from our present position, whatever comes of it. The Canadians are making a claim that they would never dream of putting forward were it not for their reliance upon British Imperial power. Both sides know this perfectly well, but things will come out all right."

Canada took a prominent place at the St. Louis Exposition in 1904, although the year opened with marked friction over the Dominion's proposed exhibition of live-stock—the trouble turn-

ing upon the refusal of the United States authorities to recognize Canadian records as to pedigree, etc. There was a good deal of feeling shown in Canada and Resolutions were passed by various public bodies protesting against the unfair treatment accorded and opposing any general or official exhibit. The result was that only individual breeders were represented in this connection. They took many prizes, however, and notably Mr. Robert Beith of Bowmanville, in horses. A handsome Canadian Building was erected in the Fair Grounds, and Mr. Wm. Hutchinson was appointed Commissioner from Canada with Mr. W. A. Burns as his Assistant. On May 18th the Canadian and Quebec Press Associations visited St. Louis and were welcomed at a Reception by Sir H. Gilzean-Reid, President of the World's Press Parliament. Among the speakers on the occasion were Messrs. E. J. B. Pense, M.L.A., J. P. Downey, M.L.A., Hugh Clark, M.L.A., and Mr. J. A. Cooper, President of the Canadian Press Association.

Canadian artists were well represented in the Fine Arts exhibit including Bell-Smith, Challener, Cruickshank, Forster, Wyly Grier, Reid, Dickson Patterson, Matthews, Mower Martin, Harris, etc. The Canadian agricultural exhibit was exceptionally good—grains and grasses, cheese, maple syrup, breakfast foods, honey, fruits. Then there was lumber or woods in every form and variety—fir, ash, cedar, pine, maple, elm and pulp. All kinds of mineral products were there including a $60,000 gold exhibit from the Yukon. A feature of the Exposition was the visit on Sept. 20th of the 21st Regiment, Essex Fusiliers, made up of 395 officers and men. An incident in the final awards was the winning of $2,050 in prizes by Mr. J. G. Clarke, of Nepean. In these Canada won " grand prizes " in every department—fish and game, forestry, mines and agriculture.

A never-failing subject of discussion—in the United States —was that of Annexation. To the Chicago *Inter-Ocean* of Jan. 20th Sir W. C. Van Horne declared that the people of Canada did not want it and instanced administration of the laws as one of the reasons. The contrast in this respect in mining camps was well illustrated: " It is noticeable at Skagway, which was claimed by Canada, though nobody wanted the people. The crack of the revolver was heard every day and everybody was armed to the teeth. But when the rush to the Yukon began the Canadian Government sent a Customs inspector and half a dozen Mounted Police. The revolvers and knives dropped at the border line, and north of it those terrors of the town were as meek as Sunday-school children."

To the Canadian Society of Philadelphia the Hon. R. Lemieux, M.P., described it on Apr. 28th as " the dream of a visionary." There might be a union of hearts but that was all. An interesting historical incident in this connection was the publication of Mr. Gladstone's letter to Mr. Goldwin Smith suggesting that if the Northern States would let the South go they

might find compensation in a union with Canada. Mr. Andrew Carnegie maintained his right during the year to say peculiar things. In the London *Mail* of Sept. 22nd he declared that "it would be as foolish, almost as criminal, for Canada and the United States to remain apart as it would for Scotland and England to do so." When they did come together the Mother-land would be glad to be united with them. To the London *Express* of Oct. 13th he reiterated these views and was met by the following editorial inquiry:

> Assuming re-union of our race on the two sides of the Atlantic—
> (1) Under what form of government would the united race live?
> (2) What would be its laws?
> (3) Would it enjoy its quiet succession of Kings or indulge in the unrestricted political debauch of a Presidential election?
> (4) Would it be allowed to possess a House of Lords, or only multi-millionaires and the Four Hundred?

Other matters of international discussion were the immigration of American farmers to the North-West; the reduction in the export of United States flour from 1,800,000 barrels in October, 1903, to 800,000 barrels in October, 1904, and the increasing competition of Canada in this connection; the desire of the Western States for Canadian wheat and the growing tendency to invest American money in the country; and the instructions issued by Mr. Secretary Hay to use the words "American Ambassador" in diplomatic documents in place of the former phrase "Ambassador of the United States of America." The Canadian press took strong exception to this claim of continental monopoly. In March the *Wall St. Journal* of New York had the following interesting comparison of percentage increases since 1891:

	Canada.	United States.		Canada.	United States.
Bank Deposits	138·3	129·2	Railway Passengers	57·3	9·7
Public Debt	14·3	73.8	Imports	96·6	21·5
Immigration	51·8	52·9	Exports	151·2	59·6
Copper	296·2	112·5	Pupils in Public Schools	9·1	19·6
Gold	2,130·0	144·5	Telegraph Messages	25·5	32·0
Railway Mileage	41·5	20·0			

United States Advocacy of Reciprocity

A very considerable campaign in favour of Reciprocity with Canada was conducted in the States during the year—especially in New England. Official declarations were as a whole favourable to the policy. The platform of the Republican National Convention at Chicago, on June 22nd, stated that: "We have extended widely our foreign markets, and we believe in the adoption of all practical methods for their further extension, including commercial reciprocity, wherever reciprocal arrangements can be effected consistent with the principles of protection and without injury to American agriculture, American labour, or any American industry." President Roosevelt's letter of acceptance, published on Sept. 12th, had this reference to the

subject: "Moreover, there can be no reciprocity unless there is a substantial tariff; free trade and reciprocity are not compatible. We are on record as favouring arrangements for reciprocal trade relations with other countries, these arrangements to be on an equitable basis of benefit to both the contracting parties."

The Democratic Convention at St. Louis was more explicit and its platform contained the following statement: "We favour liberal trade arrangements with Canada, and with peoples of other countries, where they can be entered into with benefit to American agriculture, manufacturing, mining or commerce." Mr. Alton B. Parker's letter of acceptance also contained a long argument in favour of lower duties and freer trade relations with neighbouring countries. When the Republican *Campaign Text-Book* appeared it was found to have the above Democratic phraseology as a portion of the party's policy. The Democratic volume, however, went into the subject at great length and argued specifically for better trade relations with Canada. One of its statistical tables dealt with the rate of duties imposed by the respective countries:

	United States Rates of Duty.	Canadian Rates of Duty.
Articles of Food and Animals	72·80	26·98
Crude Articles for Manufacture	27·85	22·48
Wholly or partly Manufactured for use as materials	25·65	19·78
Manufactured Articles ready for consumption	49·22	24·30
Luxuries, etc.	57·47	53·56
Average Rate	49·03	27·13

This particular treatment of the subject concluded with the statement that Mr. Chamberlain's policy would eventually succeed and prove a serious blow to the Republic. "Its importance to the United States cannot be overestimated" and it was, therefore, time to meet Canada in fiscal matters. The chief campaign for Reciprocity was in New England and the central figure in the contest there was Mr. Eugene Noble Foss of Boston. To the Providence (R.I.) *Journal* of Jan. 31st and the Toronto *Globe* of Feb. 6th Mr. Foss wrote stating that Mr. Chamberlain's proposals appeared to be the cause of Canada's refusal to discuss the question of Reciprocity; that Canada owed much of its prosperity to interchange with the United States and might logically owe much more; that he favoured, personally, a reciprocal system covering all English-speaking peoples. Addressing the Canadian and Victorian Clubs of Boston on Mar. 12th Mr. Foss paid tribute to Great Britain as keeping the seas clear for commerce, as fighting the battles of the United States for an "open door" in the far East and as absorbing an output of products "which is to-day the balance-wheel of our prosperity." Under Reciprocity New England would build up Canada as it had the Western States and would make it another United States.

Other speeches of a party character followed and on Nov. 28th Mr. Foss again addressed the Canadian Club at Boston. Fortunately, he declared, for a partial solution of the problem, "our own necessities bid fair to force our Government to look the Canadian question squarely in the face. There were three classes of trade which furnished a basis for an arrangement. "In several commodities our demand already has outrun our supply and we are buying heavily, regardless of tariff taxes. In others the exchanges between the two countries are so general, for geographical and other reasons, that a lively trade in competing products has developed. In still other cases where the demand is great the United States tariff is yet so high that no purchases are attempted." Mr. Henry M. Whitney, President of the Boston Chamber of Commerce and late President of the Dominion Coal Co., made a strongly local speech in favour of Reciprocity—denouncing the selfishness of the fishermen in opposing it and proclaiming the special advantage to Boston of freer trade in agricultural products and coal. "Why should the people that God has joined be forever kept asunder?" On Mar. 26th he addressed the local Canadian Club upon the same subject.

Four days later a large deputation waited upon the State Legislature in support of Reciprocity and the subject was presented by Representative Drinkwater who stated that: "The Canadians need our manufactured articles and we need their raw material"; by Mr. Whitney who described the City of Boston as "the natural trade centre of the great country to the north and north-east of us"; and by Mr. E. N. Foss. In the Massachusetts Republican Convention of Apr. 15th Mr. Foss led in a struggle to instruct the Delegates to the Chicago Convention in favour of Reciprocity. He wanted the State party platform to advocate removal of duties by both countries on natural products, with a mutual extension of the free list, and reduction of duties on manufactured goods; but was strongly opposed by Senator Lodge and others and his proposads finally defeated. In his contest for Delegate he was defeated by 1,161 to 178. Practically, the Convention declared against Reciprocity.

Following this Mr. Whitney received a petition signed by 35,140 business men of the State urging him to lead an agitation for freer trade with Canada and asking him to call a public meeting for its discussion. This was held in Boston on May 12th with a large attendance, favourable Resolutions and the appointment of a Committee of 100 to carry on the fight. Speaking on June 11th, Senator H. Cabot Lodge stated that the Republicans were not opposed to Reciprocity unless it meant giving too much for the privilege. At Newton, Mass., on Sept. 26th, he said: "I should be glad to vote for a reciprocity treaty with Canada or any other country which was beneficial to our business and not injurious to American industry, agriculture or labour." At a

Boston Republican Convention on Oct. 7th, General W.H. Moody, United States Attorney-General, made the following statement:

> I think I may safely assure you that in the near future this Government will again invite Canada to consider, in a friendly spirit, our trade relations. It is not for me to speak in detail of the concessions which each can properly make to the other. Such considerations arise only at a later stage of the proceedings. We should look with suspicion upon the advice of any whose private and special interests cause them to prefer Canadian interests to American interests. We should seek for a real reciprocity and not a sham reciprocity—a reciprocity in which we receive as well as give.

If Reciprocity could not be obtained he favoured a suggestion by Senator Lodge that a system of maximum and minimum tariffs be established. Meanwhile the Republican Convention of New Hampshire had opposed any Reciprocity in competitive products and that of Maine (Jan. 30) any policy which would flood local markets with Canadian lumber, fish, hay, potatoes, etc. Elsewhere there was also discussion of the subject. The Detroit Chamber of Commerce issued a circular letter declaring that "the ultimate and ideal relation is one of absolute free trade between the two countries with identical tariffs against all others." President Schurman of Cornell University told the New York Manufacturers Association, on Feb. 4th, that it would be prescient statesmanship and shrewd politics to negotiate without delay a treaty of reciprocity with Canada. His reason was very simple: "Mr. Chamberlain's scheme will inevitably reduce the volume of agricultural products you now send to Great Britain, and the volume of manufactured products you now send to Canada and other British Colonies." The New York Board of Trade passed favourable Resolutions; the American Protective Tariff League meeting at New York on Jan. 21st strongly opposed it; the National Board of Trade, meeting at Washington on the same day, passed the following Resolution: "That the National Board of Trade favours the establishment and maintenance of judicious reciprocal commercial relations with the chief foreign markets of the world, and especially with the Dominion of Canada and other contiguous countries."

In Congress, on Jan. 19th, Representative J. A. Sullivan of Massachusetts declared his State to favour immediate Reciprocity with Canada; and on Feb. 4th Representative John Lind of Minnesota demanded it on behalf of the millers of Minneapolis, the labouring men of the State, the railroads which desired to handle the crops grown to the north of them, and of the people who wished to share in the development and exploitation of that great country. On Apr. 25th Representative Lucking of Detroit argued at length for Reciprocity and declared that the people of his city wanted to trade with Canadians "because they have got the stuff we want exactly—lumber, timber, logs, minerals, raw materials; and we have got just what they want—the manufactured

products—a thousand articles turned out by our busy factories." Mr. F. Wayland Glen, the notorious advocate of Annexation and a one-time Canadian, took advantage of the growing feeling to start a "Continental Reciprocity League of North America" early in the year and, meanwhile, the press discussed the subject with very varying views. Many prominent papers supported a Reciprocity arrangement including the New York *Post,* the Newark *News,* the New York *Commercial,* the New York *World,* the Philadelphia *Record* and the Cincinnati *Inquirer.* The New York *Herald* and Chicago *Tribune* indicated their interest in the matter by sending special representatives to traverse Canada and describe conditions and opinions. Mr. Campbell Shaw of Buffalo, an ardent advocate of Reciprocity, also made a Canadian tour during which he found the outlook rather unfavourable.

Canadian Sentiment Regarding Reciprocity

The subject was not discussed in Canada as a practical one but rather as a consequence of the agitation in the United States. Expanding trade, distrust and fear of American industrial competition, hope and interest in the Chamberlain movement, were the obvious reasons for this indifference. A natural outcome of the movement in the States was the popularity of Canadian speakers upon occasions when international trade was discussed. On Jan. 23rd the Hon. Dr. W. H. Montague of Toronto and Mr. Cyrus A. Birge, ex-President of the Canadian Manufacturers' Association, addressed a banquet at Providence, R.I. Both speakers dealt clearly with Canada's loyalty to British connection, aversion to Annexation and intention of protecting her own industries. Mr. Birge declared that "Imperialism, or the idea of a Greater Britain, has taken deep root in Canada." As to Reciprocity he was explicit: "We have little or nothing to gain by it and much to lose. Our farmers don't want it as it would not advance their interests. Our merchants don't want it for it would not increase their profits. Our artisans and mechanics don't want it as it would lessen their wages and leave them with less employment. Our manufacturers don't want it as it would open their market for your surplus products and decrease their own output. We have enough of this as it is."

Dr. Montague, in his usually eloquent way, compared the constitutions and conditions of Canada and the United States; spoke of Canadians such as Schurman, Hill, Galloway and Osler who had risen to American eminence; described Canada as "essentially British" and the idea of Independence as a romantic thought without any general acceptance—even for the dim and distant future. A Preference in the British market with closer Imperial unity was the future of Canada. Reciprocity was no longer a factor or element in the problem. "If you have productions that we want to buy we will import them upon terms that suit ourselves. . . . We are your rivals instead of suppliants and hope to become more so instead of less." This was pretty

strong language and probably represented Conservative views at home with accuracy.

On Apr. 28th Hon. Rudolphe Lemieux, M.P., Solicitor-General, spoke to the Canadian Society in Philadelphia and gave a different view: "I agree with Mr. Ross, and I say that the Congress of 1774, which was the birthplace of the great Republic, was practically, though unintentionally, the birthplace of our great Dominion. . . . Let me say at once that we desire to share in the commercial activities of this continent; our farmers, miners and lumbermen want access to this market; they are willing to meet the Americans half-way. We all understand that commercial rivalry is not by any means commercial hostility." Mr. Premier Tweedie of New Brunswick was interviewed in New York on June 29th. "We in Canada," he said, "are not turning somersaults in our eagerness to get into your markets as we were some years ago. We feel we have the raw material which you need for your manufactures. We hold the products of the mine, the field and the forests." Canadians were going to "stand pat" until called. At Niagara Falls, N.Y., on June 16th the Hon. George E. Foster described nationality as greater than trade, British union and not annexation as Canada's future and Canadians as, upon the whole, antagonistic to Reciprocity. It might be desirable to some limited extent, such as in the exchange of cotton for lumber, but that was all.

On Dec. 1st a great banquet was held at Boston under the auspices of the Home Market Club—a protectionist organization —with covers for 1,000 guests and over 2,000 spectators in the galleries. Senator C. W. Fairbanks, Vice-President of the United States, and the Hon. Dr. Montague were the principal guests and speakers of the occasion. To maintain protection and guard the home market were the basic points of the former's speech. Dr. Montague's address was an elaborate presentation* of the conditions, resources and international relationships of Canada interspersed with stories and eloquent phrases of a patriotic nature. Reciprocity was considered from the standpoint of the Canadian farmer, manufacturer and artisan; and from that of the many who believed in a policy of British Preferential trade. His summary of existing opinion may be quoted as follows:

> We have reached the British market, which at present can consume all we can ship them, and in addition we have established our own industries and created a home market, and I tell you candidly that, as we have been succeeding in these two things, the sentiment for reciprocity with your country has correspondingly decreased and waned, and to-day, Sir, in Canada, there is no party supporting reciprocity; there is no agitation for reciprocity; and there is almost no desire for reciprocity. We have recently gone through an election campaign, and among the 400 candidates engaged in the campaign and bidding for public confidence and approval, I do not know of one such candidate who appealed upon the ground of reciprocity, nor was the subject dealt with in the campaign, or mentioned,

* NOTE—Published in a verbatim report in *The Protectionist*, New York, December, 1904.

except when occasional satisfaction was expressed that the Unrestricted Reciprocity policy of the Liberals of some years ago had not been adopted by the people.

An interesting "interview" was given by the Hon. Mr. Sifton, Minister of Inland Revenue, to Mr. E. W. Thomson, a special correspondent of American papers in Ottawa, which appeared in various Canadian journals on or about Dec. 3rd. The writer afterwards stated that the article was sketchy rather than exact in wording and Mr. Sifton disclaimed responsibility without, however, denying its general accuracy. After describing the Premier and Mr. Fielding as favourable to Reciprocity in natural products Mr. Sifton was quoted as follows: "We have adapted our production and business to the independent, self-sufficient policy that has been pursued for many years now. Does anybody of good sense imagine we will give that up, and undertake a re-adaptation to the United States market in a bargain extending over any short term, or which could be done away with by a few years' notice from Washington? No. Could the necessary permanence be secured? I have not given so much thought to that as would warrant me in replying yea or nay. What use in studying a question that is unlikely to come up soon!"

He went on to say that the Canadian West did not particularly want the American duty taken off wheat; they preferred to do their own milling. And then he proceeded as follows: "Reciprocity is not precisely in the line of our transportation development. The Preference to Great Britain is. We have pretty well overcome the difficulties of geography. By the canals and waterways and railways that we have constructed and developed, our commerce flows along lines of latitude, not northward and southward." The subject was discussed before the American Economic Association by three Canadians on Dec. 30th—the Hon. George E. Foster, M.P., Prof. A. W. Flux of McGill University and Prof. A. Shortt of Queen's University, Kingston. Mr. Foster dealt eloquently with the capacity of the British Empire for a preferential trade system, the greatness of its dormant resources and opportunities under closer union, the growing together of Canada and the Mother-land. Of Reciprocity negotiations and treaties he gave an historical sketch but deprecated any new arrangement. His position was as follows:

There is a growing indisposition to set the currents of trade by hard and fast treaties lasting for a definite period and then subject to denunciation by a power which has different national aims and ambitions. The hold thus given to the more powerful participator, the confusion possible from an abrupt closing of the gates, and the consequent necessity for opening new avenues of trade at great trouble and expense, create a situation fraught with menace and peril. . . . A Reciprocity which would tend to make us dependent on the United States for our manufactured goods, to draw off our great natural products to be furnished there, to starve our great lines of railway and our ocean ports, has no powerful claim upon a young, vigorous, and hopeful race of nation builders.

Turning to Canada itself the most prominent discussion of the subject took place in the *Canadian Magazine* for September where a symposium of United States opinion was published with an introduction by the Editor in which he described Canada, in this connection, as having grown "independent and even hostile." Mr. Campbell Shaw, of the United States National Committee on Reciprocity, Mr. Theodore M. Knappen of the Minneapolis *Journal* and the Minnesota Reciprocity League, Mr. Nathaniel French of Davenport, Iowa, Mr. Eugene N. Foss of Boston, and Mr. S. B. Griffin of the Springfield *Republican,* were the contributors. The re-imposition of the coal duty in the States, after a year of intermission, aroused some interest in the Canadian press but it was a languid feeling and insufficient, as the Liberal *Free Press* of Ottawa put it in another connection, to "raise the bones of Reciprocity from the political graveyard." The *Globe* of Mar. 28th put the matter pretty clearly from the existing Liberal standpoint: "The general feeling in this country is that we are doing very well as we are, and that if the people of the United States desire to trade more freely with us they should begin by lowering their customs tariff to the average of ours. That would be quite satisfactory to us and advantageous to them."

INCIDENTS OF INTERNATIONAL INTEREST TO CANADA

Jan. 1.—The Peace Society of London, after stating that the South African War cost Great Britain £250,000,000, states the cost of other wars of the 19th Century as follows:

Crimean War	£ 340,000,000
Italian War (1859)	60,000,000
American Civil War (about)	1,800,000,000
Austro-Prussian War	66,000,000
Franco-Prussian "	500,000,000
Russo-Turkish "	210,000,000
Zulu and Afghan Wars	30,000,000
Total	£3,006,000,000

Jan. 4.—In his Message to Congress asking for ratification of his action *re* the Panama Canal Treaty and construction, President Roosevelt makes the following reference to British policy: "In order that no obstacle might stand in our way, Great Britain renounced important rights under the Clayton-Bulwer Treaty and agreed to its abrogation, receiving in return nothing but our honourable pledge to build the Canal and protect it as an open highway."

Jan. 7.—At a special meeting of the Boston Chamber of Commerce, Resolutions are adopted in favour of a Treaty of Arbitration between the United States and Great Britain—covering all questions except those relating to national honour and territorial jurisdiction.

Jan. 9.—The Windsor *Record* explains the international trouble over the Lake Fisheries as follows:

"For years the fishermen on the American side of Lake Erie have poached in Canadian waters. They have been known to come in sight of the Canadian shore. Since the *Petrel* has patrolled the Lake these fish pirates have not been so bold, but still extensive fish piracy has been going on. There has been no attempt on the part of the States bordering on Lake Erie, or the general Government, to protect the fish in the Lake or to keep the American fishermen on their own side. In self-defence we may have to permit Canadians, without any restrictions, to catch all the fish they can in Lake Erie."

Jan. 12.—A Conference is held at Washington for the promotion of an Arbitration Treaty with Great Britain. Mr. John W. Foster, ex-Secretary of State, is chosen President and Mr. Thomas Nelson Page, Secretary. Amongst the speakers in favour of Arbitration are President Jordan of Stanford University, F. W. Seward of New York, President Gompers of the American Federation of Labour, President Woodrow Wilson of Princeton University and Governor Durbin of Indiana.

Jan. 12.—Mr. Tatz Gon Nosse, Japanese Consul-General in Canada, states that he has received 320 offers of military service from Canadians.

Jan. 13.—The North-West Benchers decide to admit United States advocates to practice under very strict rules and favour reciprocity in this respect with the other Provinces and Colonies.

Jan. 26.—Dr. Thomas Barclay of Paris, France, who has been making a campaign in the United States for an Anglo-American Treaty of Arbitration addresses the Ottawa Board of Trade and receives an endorsation of his project.

Jan. 29.—The Pilgrims' Clubs in London and in New York hold banquets at the same time and interchange many international cables of good-will.

Jan 31.—Sir William Mulock, during his visit to Mexico, receives many tokens of respect. On this date he is given a Dinner by President Diaz and on the preceding evening was given a banquet by the British Club of Mexico City.

Feb. 6.—The Canadian Press Association, meeting in Toronto, passes a Resolution asking for revision of the existing Postal arrangements with the United States. The reasons are clearly given as follows :

"Under existing conditions United States periodicals and newspapers have a distinct advantage over old country periodicals, in that the former can be mailed to this country at one cent a pound, while the latter are charged eight cents per pound. Besides being unfair to the publishers of the Old Country, this arrangement inundates this country with United States cheap literature, which makes it very hard for many of our publishing houses to exist. The exchange is not mutual, since for one mail bag of Canadian papers that our neighbours deliver, our Post-office handles one hundred bags of their papers. The United States periodicals have reached a high degree of development and have an advertising patronage which enables them to make a nominal subscription charge."

Feb. 10.—The attitude of the Board of United States General Appraisers towards pulp-wood imported from the Province of New Brunswick, Canada, is clearly defined by Judge Somerville, who hands down a decision that no countervailing duty should be levied on pulp-wood coming from that Province.

Feb. 18.—Mr. W. Richmond Smith of Toronto, correspondent of the Montreal *Star* in the South African War, is appointed by the London *Standard* to be one of its correspondents in the Russo-Japanese War.

Feb. 23.—Congressman George E. Foss, as Chairman of the Naval Affairs Committee of the United States House of Representatives, publishes the following table of the Naval strength of the nations :

	Present Tonnage.	Eventual Tonnage.
Great Britain	1,516,040	1,867,250
France	576,108	755,757
Russia	416,158	616,275
Germany	387,874	558,432
United States	294,405	505,619
Italy	258,838	320,277
Japan	243,586	253,681
Austria	93,913	149,833

Mar. 6.—It is understood that Canadian regulations of Jan. 23rd, 1903, and Aug. 1st, 1901, will be enforced in future as to the transportation of goods in transit by water from one Canadian port to another in British vessels.

Mar. 10.—It is stated that Mr. J. Enoch Thompson of Toronto has been appointed Consul for Cuba in Ontario.

Mar. 14.—Mr. F. W. Glen of New York writes to the Toronto *Globe* describing the absence of Canadian news in the United States papers. "The Parliament of Canada has just been opened, and as an ex-member of that Parliament and a resident of Canada for twenty-five years, I examined all the morning papers for a report of the proceedings, but found not a line. Our people have $1,000,000,000 invested in Canada, and yet the Press ignores the proceedings of the Parliament of Canada, which legislates for one-half of the area of this continent, and for one of the best peoples upon the earth."

Mar 17.—Congressmen W. Bourke Cochran of New York addresses an audience in Ottawa which includes the Prime Minister of Canada, the Papal Delegate, Archbishop Duhamel, the Hon. R. W. Scott and other prominent persons.

Mar. 23.—Major E. A. W. Edwards, Consul-General of the United States in Canada, receives instructions to act in the same capacity for Cuba and Panama.

Mar. 23.—The Canadian Customs Department withdraws the privilege enjoyed by United States vessels since 1899 of carrying Canadian goods from British Columbia ports to Dawson *via* St. Michael's with entry there free of duty. Such goods will in future pay Customs duties.

Mar. 26.—A curious incident occurs at Dawson City when the Canadian Postmaster receives a letter from the Postmaster-General of the United States calling him to task for neglect of duty for failing to comply with the rules governing United States Post Offices in not reporting certain matters to Washington.

Apr. 15.—It is announced that Mr. Andrew Carnegie has created a fund of $5,000,000 for "the dependants of those losing their lives in heroic effort to save their fellowmen or for the heroes themselves if injured only." The field covered is that of the United States, Canada and Newfoundland.

May 13.—The Hon. G. W. Ross, Premier of Ontario, addresses a Young Men's Convention in Buffalo, U.S., and urges higher ideals of honour in public life.

May 16.—The Canadian Minister of Trade and Commerce receives a letter from the British Ambassador at Washington enclosing a new enactment of Congress by which the traffic of Nova Scotia and New Brunswick schooners with United States ports along the Atlantic will be prevented in future.

June 3.—It is announced that the Dominion Government will hereafter only accept bonds of British or Canadian guaranteed companies. This is a retaliatory measure because Congress passed a law requiring United States officials to be guaranteed by American companies.

June 9.—Mr. J. I. Martin of the Pacific Coast division of the Merchant Service Guild of Canada addresses an open letter to the representa-

tives of British Columbia and the Yukon at Ottawa denouncing the snap judgments obtained against Canadians in the United States Courts along the Coast and the generally unfair treatment accorded them as compared with such friendly Canadian policy as "the suspension of the Canadian Coasting laws on this coast respecting Canadian goods carried in transit between Canadian ports in American bottoms, which is conspicuously adverse to the interest of Canadian shipmasters and Canadian transportation interests generally."

June 16.—The Rev. Dr. Carman of Toronto receives the degree of LL.D. from the Northwestern University at Chicago and delivers an address upon "Our Civilization and Universities."

June 21.—At Annapolis Royal, N.S., an international celebration is held of the Tercentenary of the founding of Port Royal in 1604. The speakers include the Hon. J. W. Longley, Attorney-General of Nova Scotia and the Lieut.-Governor of the Province; M. Kleczkowski, Consul-General of France in Canada; Captain Dillingham, Commander of the U.S.S. *Detroit;* Hon. Adelard Turgeon of the Quebec Government; Archbishop O'Brien of Halifax; and Hon. C. Langelier, representing L'Institut Canadien of Quebec.

June 30.—An interesting view of Mr. Goldwin Smith as a prophet is given by his statement to the Toronto *World* that "he had reason to believe that Grover Cleveland would be nominated for President of the United States at the Democratic Convention."

June 30.—Dr. Reuben Gold Thwaites of the Wisconsin Historical Association, and an eminent United States scholar, pays a visit to Halifax and the Maritime Provinces.

July 1—Some 3,000 troops are reviewed at Ottawa by the Minister of Militia including visiting Companies from the States of New York and Vermont.

July 4.—The 14th Princess of Wales Own Rifles of Kingston visits Syracuse, N.Y. Trouble is threatened by local Irish citizens, but is averted through the Canadian regiment, as a rifle corps, not carrying its colours on parade.

July 4.—A Canadian spending the Summer at Prout's Neck, Maine, raises the Union Jack over his cottage in honour of the day and is compelled by a deputation from the nearest hotel to take it down.

July 5.—A Company of National Guards from Malone, N.Y., returning from their visit to Ottawa, "hold up" the train they are on and refuse to allow it to proceed because of the absence of some young women connected with a female drill corps which had accompanied them. The passengers and the succeeding train are in serious danger from collision but escape through the care taken by the conductors.

July 6.—Mr. S. Nordheimer, Consul of the German Empire in Ontario for 17 years, receives from the Emperor the Cross of the Order of the Red Eagle.

July 7.—The 14th International Convention of the Baptist Young People's Union of the United States and Canada is opened at Detroit with some 500 delegates present from the Dominion.

July 12.—Under this date Lieut.-Col. G. R. Crosse, Secretary of the National Rifle Association of Great Britain, writes a final letter to the Secretary of the N. R. A. of America, in the unpleasant Palma Trophy affair, as follows:

"I am directed by my Council to acknowledge the receipt of your letter of June 18th, and to report the safe arrival of the Palma Trophy. I am further instructed to say that they accept the Resolution passed at the meeting of your Executive Committee which accompanied your letter as a generous admission that the rifles used by the American team did not conform with the conditions of the match, and that, by returning the Trophy, it is their intention that the Match of 1903 should be regarded

as null and void. . . . My Council, having in their previous correspondence disavowed any wish to reverse the result of the match or to claim the Trophy, are, consequently, unable to accept it as the accredited holders for 1903 ; but they are prepared to act as its custodians provisionally, and pending any future arrangements that may be made in connection with a match."

July 15.—Three soldiers guilty of pulling down a British flag on July 4th at Whetstone, N.Y., are disciplined and heavily fined at Fort Totten, N.Y.

July 28.—The Toronto *Globe*, in the course of its campaign against Militarism, invokes the Monroe Doctrine as follows :

"All intelligent Canadians know that there is no prospect of a war with our next-door neighbour, and most of them believe that if any foreign nation were to attack us for the sake of injuring Great Britain it would find the Monroe Doctrine invoked against it. The United States, having no designs against the autonomy of Canada, will not allow any other foreign power to acquire a footing in this country. She might as well be expected to look calmly on while an attack is made on the independence of Cuba or Mexico."

July 29.—Sir William Mulock, Minister of Labour, introduces an Act to consolidate and amend the Alien Labour Act. It is discussed on Aug. 5th and passes the Commons on the 6th but fails to pass the Senate.

Aug. 25.—The Hon. Mr. Prefontaine, Minister of Marine and Fisheries, states at Calgary that he has just received a telegram informing him that the Government have received from the United States Secretary of State an invitation to a Conference as to questions at issue between the fishermen of the two countries.

Aug. 17.—Messrs. W. Hutchinson and W. H. Burns receive through the Minister of Agriculture the decoration of the Rising Sun from the Emperor of Japan in recognition of their services at the Osaka Exhibition.

Sept. 17.—At the invitation of the War Department of the United States, the Minister of Militia in Canada delegates Colonel Fiset, D.S.O., to represent the Canadian Militia Medical Service at the St. Louis International Congress of Military Surgeons.

Sept. 17.—The retirement is announced of Herr Franz Bopp who has acted for six years as German Consul-General at Montreal. He is succeeded by Herr Franksen of the Berlin Foreign Office.

Sept. 20.—A British flag hoisted over some large works at Bayonne, N.J., in honour of visiting English capitalists, is hauled down under compulsion from soldiers picnicking in the vicinity.

Sept. 21.—By the invitation of Mr. J. W. Langmuir, Chairman of the Queen Victoria Niagara Falls Park Committee, the British members of the International Parliamentary (Peace) Union visit the Canadian side of Niagara Falls and are welcomed by himself, Mr. Robert Jaffray and the other Commissioners. The Delegates include Hon. P. J. Stanhope, M.P., W. R. Cremer, M.P., S. T. Thomas, K.C., M.P., Fred. Maddison, M.P., Colonel E. Pryce-Jones, M.P., and many others.

Sept. 22.—Mr. Edward Atkinson of Boston writes to the St. John *Globe* offering to purchase the Maritime Provinces for $46,000,000—his estimate of the Provincial share of the National Debt.

Sept. 24.—Mr. George S. Lyon wins the Golfing Championship of America at St. Louis, defeating Mr. H. C. Egan, the United States champion.

Sept. 25.—At a public meeting in St. John, N.B., Resolutions are adopted in favour of universal disarmament and the establishment of a recognized international tribunal.

Sept. 28.—Mr. Isaac H. Mathers, Norwegian Consul at Halifax, N.S., receives Knighthood from the King of Norway in the Royal Order of Olaf.

Oct. 3.—A Canadian Club is organized at Cincinnati, Ohio, with Mr. Allen Bishopric as President.

Oct. 21.—The Queen's Own Rifles of Toronto, under command of Lieut.-Col. H. M. Pellatt, pay a fraternal visit to the 74th National Guards of Buffalo, N.Y., and are given a most enthusiastic and kindly welcome.

Nov. 17.—At the Intercolonial Club banquet, in Boston, Governor John L. Bates of Massachusetts, addresses his audience in the following words: "We do not know that the time will come, but we suspect it will, when it shall be recognized with the consent of the Mother-land, and the approval of the people of Nova Scotia, New Brunswick and Prince Edward Island, that the welfare of all requires that but one flag should float over this whole country."

Dec. 6.—The following announcements are made of awards granted by the Department of Art at the Louisiana Exposition:

Commemorative diploma and gold medal of honour for distinguished service in art—Robert Harris.

Silver medals—W. Brymner, Florence Carlyle, E. Dyonnet, R. Harris, A. C. Williams.

Bronze medals—F. S. Challener, M. Cullen, C. A. Gagnon, J. Hammond, W. Hope, F. McG. Knowles, L. Muntz, G. A. Reid, S. S. Tully, H. Watson.

Dec. 6.—President Roosevelt in his annual Message to Congress urges that there should be no halt in the work of upbuilding the American Navy:

"There is no more patriotic duty before us as a people than to keep the Navy adequate to the needs of this country's position. We have undertaken to build the Isthmian Canal. We have undertaken to secure for ourselves our just share in the trade of the Orient. We have undertaken to protect our citizens from improper treatment in foreign lands. We continue steadily to insist on the application of the Monroe Doctrine to the Western Hemisphere. Unless our attitude in these and all similar matters is to be a mere boastful sham, we cannot afford to abandon our Naval programme. Our voice is now potent for peace, and is so potent because we are not afraid of war. But our protestations on behalf of peace would neither receive nor deserve the slightest attention if we were impotent to make them good."

Dec. 12.—Mr. H. C. McLeod, General Manager of the Bank of Nova Scotia, gives a Dinner of 60 covers in Toronto in honour of Mr. J. B. Forgan, President of the First National Bank of Chicago, and his predecessor in the Bank of Nova Scotia. Addresses are delivered by Mr. Forgan and by Mr. W. D. Dunwoody, President of the North-Western National Bank, Minneapolis, Mr. H. L. Griggs, President of the Bank of New York, and Senator G. A. Cox and others.

Dec. 13.—Statistics published in the Chicago *Tribune* state that there have been 82,555 suicides and 129,464 murders in the United States from 1881 to 1902. Between 1894 and 1900 the homicides and murders totalled 62,812.

Dec. 16.—The appeal of the United States to the Judicial Committee of the British Privy Council in the famous Gaynor-Greene case is heard in London with Sir Edward Clarke, K.C., and Mr. Donald Macmaster, K.C., of Montreal representing the Republic.

Dec. 16.—A large deputation of Canadians wait upon President Diaz of Mexico and are introduced by Sir Wm. Mulock. They urge extended trade relations with Canada.

Dec. 18.—Representatives of the Real Estate Exchanges of Duluth, St. Paul and Minneapolis visit Winnipeg in a fraternal way and are cordially entertained.

Dec. 19.—The Toronto *World's* suggestion of an export duty upon wheat going to the United States, in the interests of the Canadian miller, is considerably discussed. The Liberal attitude is marked by the statement of the Hon. Clifford Sifton to the *Globe* that "it is absolutely and entirely out of the question. Such a duty would be a direct tax on the wheat grower who, under present conditions, is already paying his share of the taxes." In the same paper Mr. Thomas Greenway declares that the suggestion is merely a narrow Eastern view. An export duty would prevent the development of trade and restrict beneficial competition.

Dec. 20.—The Hon. Dr. Montague addresses the annual banquet of the Fitchburg (Mass.) Merchants' Association on "Canadian Institutions and Relations to the United States."

Dec. 22.—Mr. Elihu Root, ex-Secretary of State for War, makes a strong declaration upon the Monroe Doctrine at a Dinner in New York, as follows:

"Not only must the United States insist on the hands of Europeans being kept off the territory of Central and South American republics, but it is equally our duty to see that the republics shall not so conduct themselves as to give foreign powers the semblance of a right to intervene to an extent which would necessarily compel the United States to an enforcement of the Monroe Doctrine, which would have to lead to war. . . . If we are to maintain this Doctrine, which is vital to our national life and safety, at the same time when we say to the other powers of the world 'you shall not push your remedies for wrong against these republics to the point of occupying their territory,' we are bound to say that whenever the wrong cannot be otherwise redressed, we ourselves will see that it is redressed."

Dec. 24.—A Postal Convention with Mexico is announced by which, from Jan. 1st, 1905, all classes of matter except merchandise may be sent from one country to the other (fully prepaid) at the domestic rates of the country of origin.

Dec. 25.—At Sault Ste. Marie, Ont., considerable trouble is caused at a Christmas entertainment by a number of children of United States birth refusing to carry the British flag or to participate in the affair if that flag is used at all.

Dec. 27.—The appointment is announced at Ottawa of Mr. A. W. Donly of Simcoe as Canadian Commercial Agent to the Republic of Mexico.

Dec. 28.—Attorney-General W. H. Moody of the United States decides that the law will permit a rebate to be paid on that portion of exported flour made from foreign (Canadian) wheat.

Dec. 31.—Amongst distinguished United States visitors to Canada during the year are Bishop J. C. Hartzell of the Methodist Episcopal Church in South Africa, and the Rt. Rev. Dr. C. H. Brent, Protestant Episcopal Bishop of the Philippines (a Canadian by birth).

VIII.—MILITIA INTERESTS AND AFFAIRS

Report of the General Officer Commanding the Militia in 1903

The Report of the Department of Militia and Defence for the year ending Dec. 31st, 1903, included various returns from the officials of the Department and the last official Report of Lord Dundonald as General Officer Commanding. Under date of Jan. 30th, 1904, the Deputy Minister, Colonel L. F. Pinault, C.M.G., reviewed the organization of branches of the Department in connection with military stores and the Engineer services, and described at some length the existing system at Head-Quarters with the duties pertaining to each official and section. The financial statement for the year showed a statutory payment of $11,200 for salaries; a sum of $2,492,438 voted by Parliament for various purposes—including $616,871 for annual drill, and musketry, and clothing, and stores, $189,373 for Military properties, works and buildings, $149,998 for the Dominion Arsenal, $111,943 for defences at Esquimalt, B.C., $428,221 on Capital account for arms, ammunition and defences and $20,815 for Pensions. The revenue amounted to $42,274.

Lord Dundonald's Report was dated March 1st, and commenced by declaring " the first and most pressing need " of the Militia to be " a system of enrolment and training adapted to the convenience of the people in time of war, and maintained at the least possible cost consistent with efficiency." After this admirable summary of hoped-for conditions the General Officer Commanding referred to the detailed scheme which he had submitted and which had been accepted with a view to the carrying out of such a policy. Briefly summarized it was as follows:

1. Providing for peace-training Establishments of the various units, including officers of Corps and certain percentages of the rank and file, and making a total of 46,043 men.

2. War Establishments of all units and giving 100,000 men as Canada's first line of defence.

In addition to this important first line, these Establishments further provided sufficient officers and non-commissioned officers to form the basis of a second line. For example, each regiment of infantry will have a Field Officer, and each company a Captain, a Subaltern, a Sergeant, a Corporal, and two men as their *nuclei* for this purpose ; the intention being that as soon as the first line has been mobilized for active service these *nuclei* will at once set about training duplicates of the corps which have gone to the front, so, in a very short time after hostilities have commenced, another line of 100,000 men can be put into the field.

All the officers and non-commissioned officers of the first line will be available for both peace-training and war service and the men will be divided into two classes as follows :

(*a*) Those engaging for both peace and war service, who will be paid and be liable for training in peace.

(*b*) Those engaging for war service only.
The officers and non-commissioned officers who form the *nuclei* of the second line will be required to do training in time of peace.

Lord Dundonald then proceeded to strongly urge that provision should be made as soon as possible for the supply of the ordnance, arms, equipment and ammunition necessary for the 100,000 men constituting the first line of defence and asked that the provision of rifles and ammunition for the second line of defence might be seriously taken into consideration. He also pointed out the increasing necessity of leaders for the Militia, the number of officers who had to be now accepted though not professionally qualified, and the problem of educating a supply to meet the demand. In this connection he disapproved of the existing Schools of Instruction and expressed a keen sense of the value of examinations for promotion in (1) keeping the inefficient man from rising to a place for which he is unfitted and (2) ensuring a certain amount of study of the ever-changing art of war. He outlined particulars of an examination system and accompanying work, prepared for the use of the busy business men whom he wanted to see leading the Militia, and which he stated had received the approval of the Minister. He then described his plan for the training of the whole force in all its ranks:

The main idea is, that a few in every unit shall be thoroughly versed in the art of war through instruction given at a Central Camp by the best men of every arm in Canada; that a larger number shall be fairly instructed by the better taught and more capable few above named, who would go straight from the Central Camp to District Camps; and that finally, on the alarm sounding, the whole skeleton thus constructed shall be clothed with flesh and blood by the addition of men who can shoot fairly well and have some slight knowledge of a soldier's work and duties—that knowledge being acquired partly in the ranks and partly through association with their Company Head-Quarters, its lectures, and its library.

For the success of this system in war-time, however, good leaders and a nucleus of trained men were essential. At the Central Camp in each year he hoped to see the Permanent Corps, the Instructing staff and a proportion of the officers and non-commissioned officers of every unit—the whole body of officers attending in rotation if possible. Suitable buildings and a series of lectures were suggested. The District Camps should be retained but he proposed a new system of higher commands including (*a*) Maritime Provinces or the present Districts 8, 9 and 12; (*b*) Quebec or Districts 5, 6 and 7; (*c*) Eastern Ontario or Districts 3 and 4; (*d*) Western Ontario or Districts 1 and 2; (*e*) the North-West or Districts 10 and 11. Greater powers and a certain liberty of initiative should be given to the Commanders. His general scheme providing for 100,000 men would necessitate a "somewhat large increase" in the Cavalry, Artillery and Engineers. "With Canada's immense extent of

frontier and the great distances involved it is of the utmost importance that the Cavalry should be increased, not only in the East but especially in the North-West. No country in the world is in greater need of large numbers of efficient Cavalry, armed with the rifle, than is Canada." Cavalry and Artillery, he described as popular arms with the people. The Minister was congratulated upon the formation of the Intelligence Department, with its three divisions of Information, Mapping and Corps of Guides which were now covering the Dominion with " a network of capable and intelligent men."

Reference was made by Lord Dundonald to the attendance during the year of 83 officers, 54 non-commissioned officers and 7 Cadet instructors at the School of Musketry and to the formation of 100 new Rifle Associations; making a total of 300 with a nominal membership in the military associations of 11,830 and an active membership of about 5,000. The members in the civilian associations were stated at 11,105 of whom about 85 per cent. took an active interest in shooting. The establishment of a Signalling Corps upon his recommendation; the re-arrangement of the Head-Quarters Staff; the transfer of the Militia Stores Branch to the Permanent Corps with the designation of Ordnance Stores Corps; the re-constitution of the Engineer Service on military lines, with the aid of Capt. Naish, R.E.; the partial organization of 4 new Militia Army Service Companies; the new regulations—accepted by the Minister—for the formation of Cadet organizations; were briefly dealt with. The G.O.C. also referred to his Cavalry-training text-book, prepared with much thought and consideration with a view to providing a new and very simple method of drill for mounted men and men on foot—applicable to both, suitable for busy men, and yet avoiding " any difference which would prevent smooth co-operation between Canadian and British troops in the field."

Under date of Nov. 30th, 1904, the Report of Brigadier-General Lord Aylmer dealt with Militia conditions, from the time when he took over Lord Dundonald's duties on June 15th to Nov. 17th when the Militia Council was finally constituted. During this temporary period as Officer Commanding he visited the various Camps and now expressed special approval of the camp locations, the equipment, the rations and the medical service. He praised the City Corps as the first line of Canadian defence, approved the existing Schools of Instruction policy, and suggested an early settlement of the confused question of officers' dress. No important comments were made, or criticisms offered, nor did he proffer any remarks as to future policy or reform.

The Militia Legislation of 1904

The introduction in the House of Commons, on Mar. 17th, of a measure respecting the Militia of Canada was one of the most important events of the year and in accordance with the promise made to the House in 1903. In his opening remarks upon the subject

Sir F. W. Borden, Minister of Militia and Defence, stated that Canada and the Militia had both grown since Confederation and that it was felt the law should now be brought into harmony with the greatly changed conditions. The old Act was, therefore, to be entirely repealed, although many of its clauses would be retained, and careful study had been made of Imperial, Colonial and Foreign laws with a view to getting and using the best that there was in them all. The Minister dealt first with omissions in the new Act, or changes in the form of legislation. No reference was made in the measure to a Naval Militia on the ground that "a Bill may be introduced by the Minister of Marine which will meet all the requirements in that regard"—at the suggestion of the Imperial Defence Committee and the Admiralty. The clause providing that no one except an officer of the rank of Colonel in the British Army could be in command of the Militia was to be changed so as to leave the appointment open to a Canadian Militia officer. The clause allowing an officer of the British Army, of the same rank as a Canadian Officer but of junior date of appointment, taking precedence of the Canadian in the Militia Service was to be omitted. The existing enactment that in time of war the British officer in command of the Imperial troops at Halifax, no matter how junior he might be, would take immediate command of the whole Militia of Canada, over the head of the General Officer Commanding the Militia, was also to be eliminated, as was the reference in the existing law to the King's Regulations as applicable to Canada.

Coming to changes in the constitution and character of the Militia, the Minister proposed to increase the Permanent Force from 1,000 to 2,000 men; to increase the pay of this little "standing army" from 40 cents a day, with certain good-conduct allowances, to 50 cents a day increasing at the rate of 5 cents each year until it reached a maximum of 75 cents; to add to the pay of the Active Militia by allowing an increase year by year until at the end of three years men who had shown proficiency would be receiving $1.00 a day; to amend the law as to riots, etc., so that the Militia should only be used for their suppression when the Permanent Force was not available; to extend the period for annual drill from 16 to 30 days—more as a matter of reserve power to the Government than for actual practice; to arrange for the authorization and enrolment of Cadet Corps in Schools; to authorize the appointment of officers who would rank, temporarily, as Brigadier-Generals and to provide that the honourary rank of Major-General might be conferred upon Colonels who, before retirement, had held the highest executive positions on the Head-Quarters Staff. After considerable discussion in Committee the Bill passed that body with certain amendments and finally passed the House of Commons on Aug. 3rd and a little later went through the Senate after further

debate. The most important clauses of the Act,* which became law, may be quoted as follows:

1. The Command in Chief of the Militia is declared to continue and be vested in the King, and shall be exercised and administered by His Majesty or by the Governor-General as his representative.

2. There shall be a Minister of Militia and Defence, who shall be charged with and be responsible for the administration of Militia affairs and of the fortifications, ordnance, ammunition, arms, armouries, stores, munitions and habiliments of war belonging to Canada, including the initiative in all matters involving the expenditure of money.

(2) The Governor-in-Council may, from time to time, make such orders as are necessary respecting the duties to be performed by the Minister.

3. The Governor-in-Council may appoint a Militia Council to advise the Minister on all matters relating to the Militia which are referred to the Council by the Minister. The composition, procedure and powers of the Council shall be as prescribed.

4. All the male inhabitants of Canada, of the age of eighteen years and upwards, and under sixty, not exempt or disqualified by law, and being British subjects, shall be liable to service in the Militia; the Governor-General may require all the male inhabitants of Canada, capable of bearing arms, to serve in the case of a *levee en masse*.

5. There may be appointed an officer who shall hold rank not below that of Colonel in the Militia or in His Majesty's regular army, who may be, subject to the regulations and under the direction of the Minister, charged with the Military command of the Militia, and such officer shall have the rank of Major-General in the Militia and shall be paid at such rate, not exceeding six thousand dollars per annum, as is prescribed.

6. There may be appointed an officer who shall hold rank not below that of Colonel in the Militia or in His Majesty's regular army, who may be, subject to the regulations and under the direction of the Minister, charged with the Military inspection of the Militia, and such officer shall be paid at such rate, not exceeding six thousand dollars per annum, as is prescribed.

7. Commissions of officers in the Militia shall be granted by His Majesty during pleasure, and all warrant and non-commissioned officers shall be appointed in such manner and shall hold such rank as are prescribed by the Regulations.

8. The Governor-in-Council may place the Militia or any part thereof, on active service anywhere in Canada and also beyond Canada, for the defence thereof, at any time when it appears advisable so to do by reason of emergency.

9. Whenever the Governor-in-Council places the Militia, or any part thereof, on active service, if Parliament is then separated by such adjournment or prorogation as will not expire within ten days, a proclamation shall be issued for the meeting of Parliament within fifteen days, and Parliament shall accordingly meet and sit upon the day appointed by such proclamation, and shall continue to sit and act in like manner as if it had stood adjourned or prorogued in the same day.

10. In time of war, when the Militia is called out for active service to serve conjointly with His Majesty's regular force, His Majesty may place in command thereof a senior general officer of his regular army.

11. The active Militia or any corps thereof, shall be liable to be called out for active service with their arms and ammunition, in aid of the civil power in any case in which a riot or disturbance of the peace requiring such service occurs, or is, in the opinion of the civil authorities hereinafter mentioned, anticipated as likely to occur, and, in either case, beyond the powers of the civil authorities to suppress, or to prevent or deal with, whether such riot or disturbance occurs, or is so anticipated,

* NOTE—By this measure Chap. 41 of the Revised Statutes of Canada, Chap. 19 of the Statutes of 1898 (amendment), and Chap. 18 of the Statutes of 1900 (amendment), were repealed.

within or without the municipality in which such corps is raised or organized.

12. The District Officer Commanding in any locality, if he is present in the locality and able to act, or if he is not so present, or from sickness or other cause is unable to act, the senior officer of the Active Militia in any locality, shall call out the same or any portion thereof as he considers necessary for the purpose of preventing or suppressing any such actual or anticipated riot or disturbance, when thereunto required in writing by such civil authorities hereinafter mentioned ; provided always that so far as the Permanent Force is available, in the opinion of the officer upon whom the requisition is made, a sufficient number of that force is to be employed upon this duty before recourse is had to other Militia Corps.

The differences in form, if not in substance, between this Act and the existing law were far more marked than the Minister's announcement had indicated. Where, in the original measure and its various amendments, and their consolidation in 1883, the phrase " Her Majesty " or " the Queen " was in constant use as indicating the close connection between the Crown and the military forces, it was conspicuous in the new Act by its omission except in certain absolutely essential cases and by the substitution of the " Governor-General " or (in some 20 cases) of the Governor-in-Council, therefor. On the other hand, in the first draft of the new law, the oath to be taken by members of the Militia was in the old-fashioned and primary form of allegiance to " Our Sovereign Lord the King and his heirs and successors." It was changed as a result of some Conservative criticism to the following formula: " I (A. B.) do sincerely promise and swear (or solemnly declare) that I will be faithful and bear true allegiance to His Majesty." It may be added here that in Committee a change from the first draft was also made in the wording of the clause relating to the appointment of a General Officer Commanding. By the alteration of the words " shall be appointed " to " may be appointed " the matter became permissive instead of imperative. The way was thus cleared for the eventual disappearance of the office, as well as the elimination of the distinctive British appointment to it, and for the creation of the proposed Militia Council. A very important change was that made in the law regarding the calling of the Militia into active service. The existing Act read as follows in this regard but was replaced by the Clause (8) recited above:

Her Majesty may call out the Militia or any part thereof, for active service either within or without the Dominion, at any time, when it appears advisable so to do by reason of war, invasion or insurrection, or danger of any of them ; and the Militiamen, when so called out for actual service, shall continue to serve for at least one year from the date of their being called out for actual service, if required to do so, or for any longer period which Her Majesty may appoint.

Parliamentary Discussion of the Militia Act

The measure was not very actively opposed in Parliament. Mr. R. L. Borden was distinctly judicial in his treatment of the changes proposed and some of them were approved by some of his followers while upon others there was by no means unanimity of

opinion in the Opposition ranks. There was pretty general Conservative agreement, however, in opposing the appointment of a Canadian to the office of General Officer Commanding—first as being a veiled menace to the tenure of that position by Lord Dundonald; second because there was no provision made for such a Canadian having the proper qualifications of training and experience; third, as tending to create simply a dependent official echo of the Minister of Militia; and fourth as making partisan control of the Force a dangerous probability. Col. Sam. Hughes represented a good deal of this opinion on Mar. 17th when he said.

> Weak as some of the General Officers Commanding may have been, unfit as some of them undoubtedly were, nevertheless I feel that, taking them all in all, they have done possibly much more good than would have been done if we had selected our commanding officers from the ranks of our Militia. There is nothing to prevent an officer of the Canadian Militia qualifying himself for the position by becoming an officer in the Imperial army; and I am satisfied that if, for instance, Sir Percy Girouard, should be sent out by the Imperial Government to Canada as General Officer in Command, there is not a Canadian in any Province who would not welcome his advent. Feeling as I do the desirability of maintaining in every sense our Imperial connection to the fullest extent, I do not like to see even this little link snapped asunder. I know that the law still allows the General Officer Commanding to be taken from the British army, and I trust that for many years to come he will continue to be taken from that army. But I regret that, even theoretically, if not in practice, that little connecting link should be removed.

Five days later the subject was discussed at some length. Sir F. Borden declared that he had not a word of criticism to offer as to the distinguished Imperial officers who had so far filled the position. "I have had experience with quite a number and I have not a single word of reflection to utter, but I do say that it seems to me that it is high time the provision in the Canadian statute which involves a reflection upon the capacity of our own officers should be removed. It does not follow that we shall appoint a Canadian officer at once." In general, he added, "we follow in the organization of the Canadian Militia very much the lines of the British Army." Colonel Hughes followed in renewed protest against breaking the link of connection with the Imperial forces and making the Commander a possible partisan, dependent upon the Minister of the day. Colonel Tisdale, another Conservative, on the 25th, pointed to the necessity of a General Officer Commanding having seen military service in continuous and recent warfare, and the experience in military movements and improvements which could only be thus obtained through the British Army. If a Canadian won the position of Colonel in that Army he was now eligible for appointment without this special legislation; if he did not, or could not, obtain such rank and acquirements he was not fitted for the position.

In reply to some hint of the kind Sir F. Borden denied that his relations with Lord Dundonald were of anything but the most

cordial character. "I think," he added, "that this country has profited very much from the fact that we have such an able officer helping to conduct the affairs of our Militia at the present time." Mr. R. L. Borden, in following, said that there was no reflection in the old Act upon Canadian officers. Certain experience and rank in the regular forces was required and the appointment was open to any Canadian who could meet the requirements. The new measure indirectly excluded officers of the British Militia and the North-West Mounted Police from the command. Was that any reflection upon those forces or their officers? "If the experience that he can get in this country is as good or nearly as good as the experience he can get in the regular army, I am quite willing that the restriction should be removed and the Government should be free to appoint from the Canadian Militia."

Then came the trouble with Lord Dundonald and the Government's announced intention to re-organize the whole system by the appointment of the Militia Council, provided for in the new Act, with a Chief of Staff to practically take the place of the General Officer Commanding. A clause providing for the appointment of an Inspector-General was already included in the new Act. On July 11th the changed conditions were well indicated in the House. The Minister of Militia described the lack of continuity in the existing system and declared that each General as he came to Canada, seemed possessed with the idea that it was his duty "to overturn and change everything done by his predecessor." He then announced the proposed constitution of the new Council as being seven in number—4 military, 3 civil—the former to consist of the Chief of Staff, the Adjutant-General, the Quartermaster-General and the Master-General of Ordnance.

The benefits of this arrangement would come in harmonized action, in a continuous record of proceedings and conclusions, and by the Minister being in constant touch with his colleagues and subordinate officials. The Council would fix the policy of the Force, issue orders and deal with all questions of administration. The Chief of Staff would have charge of field operations; the Adjutant-General of education, mobilization, etc.; the Quartermaster-General of transportation, etc., the Master-General of Ordnance of guns and so on. The Inspector-General would be an independent officer reporting upon the results and working of the policy adopted. Each would be supreme in his own Department subject to the decisions of the Council itself. This system was based, the Minister stated, upon the British Army Council constituted under the recommendation of the Esher Committee. The Opposition Leader's criticism of this policy was that it might produce too much machinery. What was suitable for a comparatively large and widely distributed regular army might not suit a small Militia force.

An interesting phase of the discussion as to the power of sending the Militia out of the country was a Conservative protest

from Mr. G. W. Fowler. "Whether for the defence of Canada or not the Militia of Canada should not be sent out of Canada without the authority of Parliament." Mr. Bourassa also protested against any extra-Parliamentary control of the Militia or any repetition of the South African War action and against undue praise and prominence being given to Military service over work in the field or at the desk. He disapproved the recent increase in numbers and expenditure while approving of Rifle Clubs and Cadet Corps. "The entire Liberal party in the Province of Quebec," he added, "has been denouncing Military expenditure." In discussing this matter of the outside employment of the Militia (July 12th) the following conversation took place:

> Mr. W. F. Maclean. Am I to understand that Clause 77, as it now stands, limits the Canadian Militia in their service outside of Canada to the defence of Canada?
> Sir Frederick Borden. Yes.
> Mr. Maclean. Not for the defence of the Empire?
> Sir Frederick Borden. No.

Mr. Maclean and Mr. Seymour Gourlay and Mr. J. W. Daniel (Conservative) protested against the change in this Clause as injurious to the unity and strength of the Empire. The first-named declared that "Canada either is, or is not a part of the British Empire. If the pact between us and the Empire is to mean that the Canadian Militia is only to be used for the defence of Canada, are we to expect that the army of England will be used to assist in the defence of Canada only to the extent that our forces shall go to their assistance?" On Aug. 1st this subject was again debated. Mr. Maclean argued that the proposed restriction was not only a statutory limitation in Canada's power to aid the Mother-land, which was willing to spend unlimited blood and treasure in the defence of the Dominion if necessity required, but was also a restriction upon Parliament as represented by the Government. "Why," he asked, "should we go through this Act and contest every reference to the Empire?" Mr. C. B. Heyd declared that any Government which would send troops to South Africa, for instance, should be limited in its powers. Mr. Gourlay claimed that this was a step in the direction of separation from the Empire and that military men so regarded it.

Dr. Sproule and Colonel Hughes vigorously opposed the Clause while the Minister of Justice contended that "the Empire is not going to pieces in fifteen days"—while Parliament was being called together—and Sir F. Borden declared that home defence was the fundamental function of the Militia throughout the Empire. Mr. R. L. Borden claimed that the fact of calling Parliament within 15 days of a declaration of war, or the calling out of the Militia, was security enough against any mis-use of

power, without specific limitation as to the employment of the troops. In actual legal effect the legislation did not make a change as the Government could claim almost any use of the Militia as being "for the defence of Canada" but his objection was that outside nations would not grasp these technical considerations. It looked to others like a weakening of the defensive unity of the Empire. Mr. Barker wanted to know if the British Navy was limited in its protection of Canadian interests and Sir F. Borden replied that the Militia law of Great Britain restricted Militia service to the United Kingdom.

On Aug. 2nd the discussion turned upon the projected Militia Council and Colonel Tisdale (Cons.) criticized the proposal at considerable length as (1) turning the entire control of the Force over to the political management of the Minister and as (2) involving "an absolute separation, in every detail of our system, from the Imperial Army." Sir F. Borden replied that they were following the British example of the Army Council and that Sir Edward Ward, Under-Secretary of War, had approved the steps so far taken. Mr. Borden followed in support of the existing arrangement of a General Officer Commanding with British military qualifications. There was every possible safeguard for the absolute authority of the civil power. "In Great Britain the General Officers Commanding are to deal with the promotion, transfer and retirement of officers, while here the General Officer Commanding only recommends and the Minister appoints. So far as I can understand it, the Minister of Militia is altering the law in exactly the opposite direction to that recommended by Lord Esher's Committee in respect to the auxiliary forces." After the final passage of the measure it was announced by Order-in Council that it would go into operation on Nov. 1st, 1904. At that date a new edition of the King's *Regulations and Orders* also appeared.

The opinion of the public as to this measure was not very clearly expressed. It was not made a party issue and the trouble over the Dundonald affair side-tracked the possibly more important matters dealt with in the Militia Act. Increased self-government is, in a vague way, always popular in Canada and could only prove otherwise if it were clearly brought home to the public mind that it involved a serious practical measure of separation from the Empire without really extending the area of liberty. This there was no organized effort made to prove and in the succeeding general elections the subject was hardly referred to at all. The Liberal press approved the measure, root and branch, and the Conservative press was not vehement in its opposition. The Montreal *Gazette* probably represented a good deal of quiet feeling when it described the measure as an evolutionary one "suggestive of more than it proposes to enact;" objected to the change in phraseology from the King to the Governor-in-Council as, at best, unnecessary;

and expressed the belief that the restrictive clause as to Militia service would have awkward results in the hands of men who might desire to manipulate it against the giving of aid to the Empire at a crisis.

As to the Militia Council the chief criticism was that of possible partisanship and absolute control by the Minister. The Toronto *News* (May 14th) expressed another thought: "The new system will so work that a seat in the Militia Council will be the end of a man's service. In other words, the administration of the Militia will fall into the hands of a Board of elderly men who are deprived of the stimulus or the hope of promotion. That means stagnation, not progress." Lord Dundonald, in Toronto, on July 15th, voiced his own fear as to poiltical influence: "It will be at the beck and call of whatever Government is in power. Race and creed will interfere in its management and the Militia will simply become another department in which politicians will deal out rewards to their workers." On the other hand the *Canadian Military Gazette* (Aug. 9th) strongly approved the proposed Council as a wise and business-like arrangement. So did the Conservative Ottawa *Citizen* of Apr. 20th.

Militia Policy, Plans and Conditions

On Feb. 23rd, the Governor-General-in-Council authorized new Establishments of the Militia providing for many of the reforms and changes which Lord Dundonald and Sir F. Borden had been working over for a number of months past. On a peace footing the regulations provided for a total strength of 4,924 officers and 42,334 non-commissioned officers and men. Compared with former conditions this gave an increase on a peace footing of 1,475 officers and 3,021 non-commissioned officers and men. Upon a war footing, through a system of reserves for each unit in all arms of the service, a force of 100,000 men was promised. The details were approximately as follows:*

	New Establishment.		*Old Establishment.*	
	Officers.	Non-Com. Officers and Men.	Officers.	Non-Com. Officers and Men.
Field Artillery	153	1,860	123	1,636
Cavalry	599	4,607	432	4,344
Garrison Artillery	221	2,125	149	2,116
Engineers	36	732	24	408
Infantry	3,781	31,476	2,576	28,791
Army Service Corps	40	808	40	808
Bearer Companies	27	312	27	317
Field Hospitals	24	342	24	168
Signalling Corps	18	722	18	722
Corps of Guides	....	25	....	25
Mounted Rifles†	....	....	11	153
Totals	4,899	43,009	3,424	39,488

Meanwhile, early in the year, Lord Dundonald had devised a

* NOTE—According to an Ottawa semi-official despatch in *The Globe* of Feb. 27th.
† NOTE—The Mounted Infantry under the new arrangements were merged in the Cavalry.

system of examinations and courses of instruction by which busy by which busy men could make use of their short holidays to acquire some adequate knowledge of an officer's duties. A little later he proposed to divide City Regiments which were over strength on the pay roll so that they could each have two battalions on the Establishment. On May 26th Militia Orders announced the Staffs of the various Camps of Exercise and Instruction for the annual training of the year. The Brigade Commanders then, or during the year, were as follows:

1st Infantry	Brigade	Lieut.-Col. C. S. Ellis.
2nd Infantry	Brigade	Lieut.-Col. A. H. Macdonald.
1st Cavalry	Brigade	Lieut.-Col. J. F. Gartshore.
1st Artillery	Brigade	Lieut.-Col. J. S. Hendrie, M.L.A.
3rd Infantry	Brigade	Lieut.-Col. J. M. Delamere.
4th Infantry	Brigade	Lieut.-Col. James Mason.
5th Infantry	Brigade	Lieut.-Col. E. Cruickshank.
2nd Cavalry	Brigade	Lieut.-Col. T. C. Clyde.
2nd Artillery	Brigade	Lieut.-Col. W. G. Hurdman.
6th Infantry	Brigade	Lieut.-Col. John Hughes.
7th Infantry	Brigade	Lieut.-Col. H. R. Prevost.
3rd Cavalry	Brigade	Lieut.-Col. F. Whitley.
8th Infantry	Brigade	Lieut.-Col. The Hon. P. Landry.
9th Infantry	Brigade	Lieut.-Col. V. de L. Laurin.
10th Infantry	Brigade	Lieut.-Col. The Hon. P. Landry.
11th Infantry	Brigade	Lieut.-Col. G. T. A. Evanturel.
12th Infantry	Brigade	Lieut.-Col. H. H. McLean.
13th Infantry	Brigade	Lieut.-Col. D. McLeod Vince.
14th Infantry	Brigade	Lieut.-Col. B. A. Weston.
15th Infantry	Brigade	Lieut.-Col. The Hon. J. M. Gibson.

Most of these camps were held in June and July. In the latter month General Order (68) announced the constitution and work of the Army Medical Service, and on Nov. 17th the constitution of the new Militia Council was announced. Prior to this, however, certain changes and transfers had been made and Colonel P. H. N. Lake, C.B., had come out from England by request, it was understood, of the Minister of Militia to take charge of the General Staff and assist with his experience and advice. The Council was composed of the Minister of Militia and Defence as President; Brigadier-General P. H. N. Lake, C.B., as Chief of the General Staff and 1st Military Member; Colonel B. H. Vidal as Adjutant-General and 2nd Military member; Colonel D. A. Macdonald, I.S.O., as Quartermaster-General and 3rd Military member; Colonel W. H. Cotton as Master-General of the Ordnance and 4th Military member; Colonel L. F. Pinault, C.M.G., Deputy-Minister of Militia and Defence as Civil Member; and Mr. J. W. Borden, Accountant of the Department as Financial Member. Mr. E. F. Jarvis, Chief Clerk of the Department, was appointed Secretary of the Council.

An interesting incident occurred on June 28th when the Premier and Mr. R. L. Borden spoke at a Luncheon in Ottawa given by the Minister of Militia. Sir W. Laurier urged the training of every citizen in rifle shooting. Mr. Borden dealt with

the sacrifices made by Militia officers and defined the true principle of Militia action as being that of the English volunteer: "Defence not defiance." On Sept. 6th Sir Frederick Borden was given a banquet by some hundred Militia officers of Halifax with Lieut.-Col. J. D. Irving, D.O.C., presiding and with Maj.-Gen. Sir Charles Parsons, Commander of the local Imperial Forces also present. In his speech the Minister of Militia defined his policy as (1) establishing a force of from 30,000 to 40,000 men ready to take the field and capable of expansion in case of need to 100,000 or 120,000; (2) the better education of officers through a system of exchange with the British War Office and acceptance of the Imperial Defence Committee's offer of places in the Staff Office; (3) inviting the co-operation of the Provincial Governments in teaching drill to Cadets and schoolboys and training them in the use of the rifle; (4) aid to the Empire by building up a great nation with power to back up the British flag.

In Toronto on Dec. 28th, the Minister was banqueted again with Colonel W. D. Otter, C.B., D.O.C., in the chair. Lieut.-Col. J. I. Davidson in proposing the toast of the guest urged increased Armoury accommodation for Toronto. This the Minister promised for the near future; declared the Government anxious to do as they had promised at the Conference of 1902 and to relieve the British taxpayer of every dollar of expense for the protection of Canadian territory—at least in time of peace; described the recently passed Militia Act as "a Canadian law, first, last and all the time"; and congratulated the country upon the removal of the "reproach of inferiority" by the limitation in command and by the senior rank allotted to British officers in Canada. He then made a somewhat extraordinary reference to the British General Officer Commanding when he came to Canada. "He had great powers—perhaps not always as great as he imagined. He usually set out at once to prove that his immediate predecessor was an ass—and he was oftentimes able to prove it without the slightest difficulty."

These banquets were used freely for political purposes in connection with the feeling aroused in many quarters against Sir F. Borden over the Dundonald affair. They were declared to be a clear proof of popular opinion in the Militia. On the other hand the *Canadian Military Gazette* dealt most caustically with the alleged manner in which the dinners were gotten up. "It is time that this sort of thing should be exposed. Militia officers know how these dinners to the Minister of Militia are engineered. It is another type of Military despotism under which our volunteer officers suffer and which should be thoroughly understood by the great mass of the public." Details were gone into (Sept. 27th) as to the Toronto affair and the King's *Regulations* were quoted which forbid presents, or testimonials, expressive of opinion regarding superiors, and order commanding

officers to prohibit the presentation of such testimonials to superior officers upon quitting the service. Technically, the Minister did not come under these conditions but it was claimed that the officers who arranged the affairs did.

Promotions, Changes and Appointments in the Militia

Apart from the all-important changes caused by the retirement of Lord Dundonald and the creation of the Militia Council, there were a number of promotions and appointments during the year which must be recorded. A certain number of Honorary Colonels of Regiments were appointed including Colonel Sir E. W. D. Ward, K.C.B., Under-Secretary of State for War, to the Canadian Army Service Corps; the Hon. Sir D. H. McMillan, K.C.M.G., Lieut.-Governor of Manitoba to the 12th Manitoba Dragoons; Lieut.-Col. J. H. Burland, R.O., to the Prince of Wales Fusiliers of Montreal; and the Hon. James Domville to the 8th Princess Louise N.B. Hussars. Major T. Walker of the St. John Fusiliers was granted the honorary rank of Lieut.-Colonel as were Quartermaster W. E. Imlah of the Royal Canadian Artillery, Major T. L. Brown of the 11th Hussars, Major S. R. Jenkins of the 4th Prince Edward Island Regiment of Artillery, Major M. A. Curry of the 66th Princess Louise Fusiliers. Surgeon-Major William Nattress of the Royal Canadian Regiment and Surgeon-Major J. A. Grant were granted the Honorary rank of Surgeon-Lieut.-Colonel. The following appointments were made to the rank of Lieutenant-Colonel—apart from specific promotions to command regiments: Major N. F. MacNachtan, commanding the 14th Field Battery; Major G. A. Peters of the 9th Toronto Light Horse; Major V. A. S. Williams of the Royal Canadian Dragoons; Major J. A. Northup, commanding the 14th King's Own Canadian Hussars; Major J. Galloway, District Staff Adjutant M.D. No. 2. To the Army Medical Corps, Surgeon-Major C. C. Sewell of the Royal Canadian Artillery, Surgeon-Major A. Codd, of the Mounted Rifles, Surgeon-Major W. Nattress of the R.C.R., Surgeon-Major H. R. Duff from the 4th Hussars and Surgeon-Major C. W. Belton of the R.C.R. were promoted by G. O. 119 to the rank of Lieutenant-Colonel. Majors J. T. Fotheringham, R. H. Abbott, J. A. Sponagle, and H. D. Johnson were promoted to the same rank on Oct. 4th.

Other changes included the retirement of Major George T. Denison, jr., of the Governor-General's Body Guard retaining his rank; the appointment of Captain and Brevet Lieut.-Col. S. J. A. Denison, C.M.G., as Major in the Royal Canadian Regiment; the transfer of Lieut.-Col. J. D. Bulman from the 79th Shefford and Brome Regiment to the Reserve List as a result of that Corps being absorbed in the 13th Scottish Light Dragoons; the appointment of Lieut.-Col. C. W. Wilson, A.M.S., to be Principal Medical Officer of M.D. No 5; the transfer of Major H. Z. C. Cockburn, V.C., of the Governor-General's Body Guard to the Reserve of Officers; the appointment of Colonel the Hon. J. M.

Gibson to command the 15th Infantry Brigade; the appointment of Surgeon-Lieut.-Colonel J. E. March to be Principal Medical Officer of M.D. No. 8; the appointment (dating from Feb. 2nd) of Major Bruce Carruthers to be Inspector of Signalling and of Capt. F. A. Lister to be Assistant Inspector; the promotion of Lieut.-Col. E. Fiset, D.S.O., to the rank of Colonel; the appointment of Colonel L. Buchan, C.M.G., as D.O.C. of M.D. No. 3; the appointment of Lieut.-Colonel T. D. R. Heming to command No. 4 Military District; the appointment of Lieut.-Colonel V. B. Rivers as Intelligence Staff Officer at Head-Quarters.

Following the retirement of Lord Dundonald, Colonel Lord Aylmer was appointed Officer Commanding the Militia on June 15th and Colonel B. H. Vidal was appointed to act as Adjutant-General while his Chief held this temporary command. On Nov. 11th (G. O. 166) Lord Aylmer was appointed Inspector-General of the Canadian Forces with the rank of Brigadier-General; Brigadier-General P. H. N. Lake, C.B., was appointed Chief of the General Staff in Canada with similar rank; and Colonel B. H. Vidal became Adjutant-General. On Nov. 15th (G. O. 165) Colonel D. A. Macdonald, I.S.O., was appointed Quartermaster-General and Colonel W. H. Cotton, Master-General of the Ordnance. Colonel Macdonald was also given command of the Ordnance Stores Corps (Dec. 27th). On Dec. 28th (G. O. 179) Colonel E. Fiset was appointed Director-General of Medical Services; Lieut.-Col. J. B. Donaldson, Director of Clothing and Equipment; Lieut.-Col. J. Lyons Biggar, Director of Transport and Supplies; Lieut.-Col. R. W. Rutherford, Director of Artillery; and Lieut.-Col. Paul Weatherbe, Director of Engineer Services. These appointments formed a part of the Militia Council re-organization of affairs. The following were the changes which took place in the command of Regiments during the year:

Feb. 2.—Lieut.-Col. J. B. Stothers resigns the command of the 1st Hussars, and is succeeded by Lieut.-Col. A. H. King. G. O. 28.

Feb. 2.—Lieut.-Col. D. Sutton resigns the command of the 3rd Prince of Wales' Dragoons, Peterborough, and is succeeded by Lieut.-Col. W. W. Brown. G. O. 28.

Feb. 2.—Lieut.-Col. G. Acheson has his term of command in the 29th Waterloo Regiment extended to Jan. 7th, 1906. G. O. 28.

Feb. 2.—Lieut.-Col. G. T. A. Evanturel, A.D.C., has his term of command in the 9th Regiment, Voltigeurs de Quebec, extended for one year from 22nd Feb., 1905. G. O. 28.

Feb. 2.—Lieut.-Col. E. Harrison is transferred to the Reserve List and is succeeded in command of the 49th Regiment, Hastings Rifles, by Lieut.-Col. J. R. Orr. G. O. 28.

Feb. 2.—Lieut.-Col. J. B. Checkley of the 56th Grenville Regiment (Lisgar Rifles) has his term of command extended to Jan. 9th, 1906. G. O. 28.

Feb. 2.—Lieut.-Col. T. J. de M. Taschereau retires from the command of the 92nd Dorchester Regiment and is succeeded by Lieut.-Col. G. A. Taschereau. G. O. 28.

Mar. 7.—Lieut.-Col. J. G. Barr is appointed to command the 6th Duke of Connaught's Royal Canadian Hussars *vice* Lieut.-Col. F. Whitley to command a Brigade. G. O. 30.

Mar. 7.—Lieut.-Col. J. C. Hegler is transferred to the Reserve List and is succeeded in command of the 22nd Regiment, Oxford Rifles, by Lieut.-Col. F. W. McQueen. G. O. 30.

Apr. 20.—Lieut.-Col. A. L. Jarvis retires from the command of the Governor-General's Foot Guards, Ottawa, and is succeeded by Lieut.-Col. S. C. D. Roper. G. O. 58.

Apr. 20.—Lieut.-Col. G. T. Evans is transferred to the Reserve List and is succeeded in the command of the 36th, Peel Regiment by Lieut.-Col. W. Wallace. G. O. 58.

Apr. 20.—Lieut.-Col. A. P. Sherwood, C.M.G., A.D.C., retires from the command of the 43rd Regiment, Duke of Cornwall's Own Rifles, Ottawa, and is succeeded by Lieut.-Col. S. H. Rogers. G. O. 58.

Apr. 20.—Lieut.-Col. E. T. Sturdee retires from the command of the 62nd. Regiment, St. John Fusiliers, (G. O. 58) and is succeeded by Lieut.-Col. M. B. Edwards.

Apr. 20.—Lieut.-Col. C. W. Schaffner completes his term of command in the 69th Annapolis (N.S.) Regiment and is transferred to the Reserve List. He is succeeded by Lieut.-Col. G. A. LeCain. G. O. 58.

May 14.—Major S. H. Glasgow is appointed 2nd in command of the 2nd Dragoons, St. Catharines; on Sept. 13th Lieut.-Col. R. W. Gregory is retired from the Militia (G. O. 142) ; and on Oct. 4th (G. O. 154) Major Glasgow is appointed to command the Regiment with the rank of Lieut.-Colonel.

May 14.—Lieut.-Col. L. A. Gagnier retires from the command of the 64th Chateauguay and Beauharnois Regiment and is succeeded by Lieut.-Colonel A. Malette.

May 27.—Lieut.-Col. C. A. K. Denison, in command of the Governor-General's Body Guard, Toronto, is transferred to the Reserve List and is succeeded by Lieut.-Col. W. Hamilton Merritt. G. O. 76.

May 27.—Lieut.-Col. R. McEwan, in command of the 26th Middlesex Light Infantry, completes his term and is transferred to the Reserve List. He is succeeded by Lieut.-Col. T. B. Welsh. G. O. 76.

May 27.—Lieut.-Col. J. F. Kennard retires from the command of the 27th Lambton Regiment, "St. Clair Borderers," and is succeeded by Lieut.-Col. R. McKenzie. G. O. 76.

May 27.—Lieut.-Col. F. C. B. Greer completes his term in command of the 40th Northumberland Regiment and is succeeded by Lieut.-Col. W. H. Floyd. G. O. 76.

May 27.—Lieut.-Col. T. W. Sparham completes his term of command in the 41st Regiment, Brockville Rifles, and is transferred to the Reserve List. G. O. 76.

May 27.—Lieut.-Col. J. N. Crane completes his term of command of the 63rd Regiment, Halifax Rifles, and is succeeded by Lieut.-Col. J. N. Twining. G. O. 76.

May 27.—Lieut.-Col. J. D. B. F. Mackenzie is appointed to command the 3rd Northumberland Regiment. G. O. 76.

June 15.—Major Robert Myles, in command of the 9th Field Battery, Toronto, is transferred to the Reserve List and is succeeded by Major J. F. Crean. G. O. 87.

June 23.—Lieut.-Col. E. A. Cruickshank completes his term in command of the 44th Lincoln and Welland Regiment and is succeeded by Lieut.-Col. J. E. Cohoe. G. O. 89.

July 16.—Lieut.-Col. H. T. Lawrence completes his term in command of the 78th Colchester, Hants and Picton Regiment, "Highlanders," and is succeeded by Lieut.-Col. T. A. Blackburn. G. O. 118.

Sept. 13.—Lieut.-Col. H. M. Campbell completes his term in command of the 8th Princess Louise, New Brunswick Hussars and is succeeded by Lieut.-Col. F. V. Wedderburn. G. O. 142.

Sept. 13.—Major E. Wyly Grier is appointed to command the 9th Field Battery, Toronto, in place of Major J. F. Crean transferred to Reserve List. G. O. 142.

Oct. 4.—Lieut.-Col. J. A. Longworth completes his term in command of the 4th Prince Edward Island Regiment and is transferred to Reserve List. G. O. 154. He is succeeded by Lieut.-Col. H. M. Davison.

Nov. 28.—Lieut.-Col. W. Thompson completes his term in command of the 55th Regiment, Megantic Light Infantry, and is succeeded by Lieut.-Col. H. H. Williams. G. O. 168.

Dec. 13.—Lieut.-Col. Thomas Clyde completes his term in command of the 4th Hussars and is succeeded by Lieut.-Col. Urias H. Holmes. G. O. 177.

Dec. 13.—Lieut.-Col. George Thairs has his command of the 19th St. Catharines Regiment extended for one year from Oct. 26th, 1904. G. O. 177.

Dec. 13.—Lieut.-Col. Alex. Bertram completes his term in command of the 77th Wentworth Regiment and is succeeded by Lieut.-Col. W. H. Ptolemy. G. O. 177.

MINOR MILITIA INTERESTS AND INCIDENTS

Jan. 1.—The following special Regulation is issued in G. O. No. 1 :

1. The first appointment of a person as an officer of the Militia shall not be other than that of a provisional lieutenant, unless such person has the qualification which may from time to time be prescribed for the rank or appointment he seeks.

2. No person shall be appointed or promoted to any commissioned rank, or appointment in the Militia, unless such person has the qualification which from time to time may be prescribed for such rank or appointment.

3. No officer shall be promoted to a higher rank than the one next above that which he then holds.

4. No officer shall be promoted, unless he has served at least two years in the rank which he then holds.

5. No person shall be appointed or promoted to any warrant rank or appointment in the Militia, unless he has the qualification which from time to time may be prescribed for the rank or appointment which he seeks.

6. Provided always that the application of the foregoing rules to individual cases may, under special circumstances, be varied by the Minister of Militia and Defence, on the recommendation of the General Officer Commanding.

Jan. 8.—Lieut.-Col. James Mason is interviewed by the Toronto *News* as to the probability of his standing for Parliament in the general elections and, after intimating the business reasons which will prevent, he gives the following summary of a Militia policy which he would like to see adopted.

"As a nucleus, we should have a small but thoroughly-trained body of men in the Permanent Corps, the Staff, and the Ordnance and other branches of the service which have lately been re-organized. Then we should be able to add to this in time of need every able-bodied Canadian with a sufficient knowledge of drill and of rifle shooting to make him an effective soldier. Such an army could be readily organized, and the policy which would make it possible, I consider would be the best and cheapest way of building up our Militia. The training of the Canadian people can best be effected through the Cadet Corps."

Jan. 20.—G. O. 15 states that the Imperial Authorities have placed at the disposal of the Canadian Government two nominations, annually, for entrance to the Staff College. Two officers will be selected from those who qualify at the examination for admission to the Staff College to be held in August each year.

Jan. 20.—It is stated at Ottawa that Colonel S. Hughes, M.P., will be attached to the Intelligence Branch of the Militia Service, as Honorary Adviser, upon the request of the Minister of Militia.

Jan. 23.—The annual meeting of the Canadian Military Institute is held in Toronto and Colonel F. L. Lessard, C.B., is elected President.

Feb. 1.—General Order 17 states that the King has been pleased to grant the title "Royal" to the Canadian Engineers.

Feb. 3.—It is announced from Ottawa that the Royal North-West Mounted Police is to be increased in number from 800 to 900. At this time there are 500 stationed in the North-West and 300 in the Yukon.

Feb. 27.—The Dominion Artillery Association holds its annual meeting in Ottawa and elects Lieut.-Col. Frank King of St. Catharines, President for the ensuing year.

Mar. 22.—In the preliminary discussions of the new Militia Act Sir F. Borden states that every District Officer Commanding in Canada has been asked for his opinions regarding the draft measure; that Colonel W. D. Otter, Colonel Henry Smith, and several other officers had formed a Committee which for weeks had the Bill under consideration; and that he had "of course had the opinion of the General Officer Commanding."

Mar. 30.—The Toronto *News* nominates Lieut.-Col. G. T. Denison as a suitable Canadian representative on the Imperial Defence Committee.

Apr. 12.—A despatch appears in the *Globe* from Ottawa foreshadowing the formation of a Militia Council to deal with Military affairs and involving the abolition of the office of General Officer Commanding.

Apr. 23.—At the Ottawa St. George's Society banquet Lord Dundonald speaks amid great applause. "It needs no compact," he said, "to know what the Militia of Canada would do. I have written that should the Empire require the services of Canada the Canadian Militia will volunteer *en masse*. And I know not the men that will keep the Militia back."

Apr. 27.—Major-General the Earl of Dundonald receives a great reception at Queen's University, Kingston, upon accepting the honourary degree of LL.D.

May 10.—The *Canadian Military Gazette* pays a marked tribute to Sir F. Borden as Minister of Militia, which is of interest in view of its subsequent attitude toward that gentleman: "He has shown his good faith (as a non-partisan administrator) in the appointments he has made in connection with both peace and war contingents and in selecting men for the Permanent Force and the Staff." The paper then proceeds to praise him for not rousing the party spirit in Parliament against his Department.

May 19.—G. O. 75 appoints officers in the somewhat famous 13th Scottish Light Dragoons of the Eastern Townships, dating from Mar. 30th, and including Major D. M. Stewart of Montreal as 2nd in Command, Major J. G. Gibson, 3rd in Command with Capt. G. Carr, Capt. N. R. Moffatt and Lieut. E. J. Holland, V.C., as Majors. On July 28th, Major Gibson is transferred to the Reserve List.

May 24.—The presentation of new colours to the 57th Regiment takes place at Peterborough in the presence of thousands of people and at the hands of Major-General Lord Dundonald.

May 27.—Capt. H. E. Burstall, R.C.A., is granted the brevet rank of Major in recognition of his South African War services.

June 4.—The Ottawa *Citizen* (and other papers) reviews most favourably a work by Lieut.-Col. N. F. MacNachtan of Cobourg entitled *Guide for Duties of the Canadian Field Artillery.*

June 14.—Correspondence from Ottawa in the Hamilton *Spectator* states that the origin of the Dundonald trouble was really to be traced to a personal difference and ill-feeling between the General Officer Commanding and Col. Pinault, the Deputy Minister, and that the relations of the former with Sir F. Borden had always been personally friendly.

June 15.—By G. O. 137, the Bisley Team for 1904 is announced with Lieut.-Col. W. P. Anderson, R.O., as Commandant and Major J. A. McDougall of the 8th Hussars as Adjutant.

June 17.—The Halifax *Herald* has a savage editorial attack upon Lord Dundonald's successor : " Colonel Lord Aylmer, who has been appointed Lord Dundonald's successor, is about as fit for the position as he is to take command of the Channel Squadron. He is about the last man in Canada that any one who knows him and the duties of the office he has been appointed to would think of making General Officer Commanding. His qualifications consist in being able to say ditto to anything that Ministers say."

June 21.—The Toronto *News* has a scathing editorial article upon the condition of the Militia in which it says : " We are now flaunting red-coats in the face of our American neighbours, and back of the red-coats we have nothing but empty rifles. We have a force which has a peace enrolment of 35,000 men, and on a war footing should be 100,000 strong. For that force we have less than 40,000 rifles, about 120 guns, next to no ammunition for either guns or rifles, and no equipment. Even China has not so inept a scheme of defence."

June 22.—The Ottawa *Free Press* points out that the present Government has done much for the Militia and quotes the estimated expenditure of $3,803,990 in 1904 or 68 cents per head as against $2,173,816 or 43 cents per head in 1896.

June 23.—At the closing exercises of the Royal Military College, Kingston, Colonel Reade, the Commandant, announces three Imperial Commissions to the graduates—one in the Royal Engineers, one in the Army Service Corps and one in the Indian Army. The attendance, he said, was now over a hundred and additional building accommodation was needed.

June 30.—The Toronto *Globe* claims that the Liberal Government has spent $11,263,184 on the Militia in 1897-1902, with $2,973,947 more on capital account, as compared with a Conservative expenditure of $7,960,813 in 1891-1896.

July 18.—In the House of Commons the Minister of Militia states that the contract regarding the Ross Rifle is for 12,000 delivered at the rate of 1,000 per month and at a price of $25.00 per rifle. He intimates that the contract has not been carried out and, on Nov. 10th, G. O. 261 states that a Board of Officers composed of Col. W. H. Cotton, Lieut.-Colonels W. P. Anderson, R. Cartwright, C.M.G., P. Sherwood and Capt. T. E. Naish, R.E., has been appointed to report upon a modification of the sealed pattern of the present Ross Rifle.

Aug. 8.—G. O. 182 gives the results of team competitions in the Canadian Military Rifle League (City Corps) as placing the 57th Regiment, Peterborough, first with a score of 3,745 and Pte. George Milligan of Hamilton as champion of the Series and the League. Other than City Corps show the 77th Regiment, Dundas, as champion with a score of 3,624 and in Civilian Associations that of Peel and Maryboro' comes out first with a score of 3,676. Pte. W. F. Moore of Dundas is champion of the former Series and Mr. Hugh Rankin of Prescott in the latter.

Aug. 10.—Lieut.-Col. A. Lighthall of the 16th Prince Edward Island Regiment is placed upon the retired list with honorary rank but in November by G. O. 168 this is cancelled and he is "removed from the Militia—His Majesty having no longer any need for his services."

Sept. 14.—A General Order is issued (No. 213) to the effect that banners have been specially designed and prepared by the Imperial Authorities, for presentation to the various Colonial contingents which served in the late war in South Africa, in recognition of their valuable services to the Empire. Each of the following Corps are selected to receive one of the banners, and, in accordance with the desire expressed by His Majesty the King, the presentation in each case, is to be made by His Excellency the Governor-General, in as public a manner as possible and as a special mark of His Majesty's favour :

The Royal Canadian Dragoons.
The Canadian Mounted Rifles.
The Royal Canadian Field Artillery.
The Royal Canadian Garrison Artillery.
The Royal Canadian Regiment.

Sept. 24.—It is announced that the 48th Highlanders have become allied with the Gordon Highlanders upon the suggestion and recommendation of the late General Officer Commanding. Lieut.-Col. W. C. Macdonald states that a despatch from the Imperial authorities contained a message to the effect that "His Majesty had been graciously pleased to approve of the insertion in the Army List, under the heading of the Gordon Highlanders, of the name of the 48th Highlanders of Toronto."

Nov. 28.—It is announced that the Rev. Alex. Laird has been appointed Professor of English at the Royal Military College, Kingston.

Nov. 28.—The first meeting of the new Militia Council is held with Sir F. Borden in the chair.

Dec. 31.—The following are the District Officers Commanding at this date :

Military District.	Head-Quarters.	Name.
No. 1.	London	Lieut.-Col. James Peters.
" 2.	Toronto	Colonel W. D. Otter, C.B.
" 3.	Kingston	Lieut.-Col. L. Buchan, C.M.G.
" 4.	Ottawa	Lieut.-Col. W. E. Hodgins.
" 5.	Montreal	Lieut.-Col. W. D. Gordon.
" 6.	St. John's, Que.	Lieut.-Col. Alexander Roy.
" 7.	Quebec	Lieut.-Col. O. C. C. Pelletier.
" 8.	St. John, N.B.	Lieut.-Col. G. Rolt White.
" 9.	Halifax	Colonel J. D. Irving.
" 10.	Winnipeg	
" 11.	Victoria	Colonel J. G. Holmes.
" 12.	Charlottetown	Lieut.-Col. F. S. Moore.

IX.—TRANSPORTATION INTERESTS OF CANADA

Railways and Waterways and Shipping

During the year ending June 30th, 1904, the Dominion Government spent on railways $12,351,250 and on the canals $2,980,558. Of the total sum $8,000,000 was charged to revenue, $2,470,000 to income and the balance to capital. The receipts from the railways during the year totalled $6,627,255 and from the canals $79,536. From Confederation (1867) up to this date $53,890,625 had been paid in subsidies to various railways while the total expenditure in this respect had been $282,204,763. The steam railways completed at the close of the fiscal year covered 19,611 miles, an increase of 534 miles, with 3,327 miles of sidings; the number of miles laid with steel rails was 19,545 of which 763 miles was double track; the number of miles in operation, 19,431. The paid-up capital amounted to $1,186,546,918—an increase of $39,996,149; the gross earnings for the year were $100,219,436 or an increase of $4,154,909; the working expenses aggregated $74,563,162 or an increase of $7,081,638. The net earnings, therefore, were $25,656,274 or a decrease of $2,926,729.*

The number of passengers carried by Canadian railways in 1904 was 23,640,765, or an increase of 92,023, and the freight traffic amounted to 48,097,519 tons, or an increase of 724,102 tons. The rolling stock comprised 2,149 cars for passenger service, 84,422 cars for freight service and 4,157 cars for operation and maintenance—a total of 90,728 cars. The accident returns for the year showed 395 persons killed, of whom 25 were passengers and 192 employees; and 1,405 injured of whom 234 were passengers and 912 employees. Electric railways completed on June 30th, 1904 totalled 767 miles with a paid-up capital of $50,399,188. The gross earnings were $8,453,609, or an increase of $1,219,932, and the working expenses $5,326,517, or an increase of $853,659. The net earnings were, therefore, $3,127,192, or an increase of $366,273. The number of passengers carried was 181,689,998, or an increase of 26,027,186, and the freight carried was 400,161 tons or an increase of 28,875 tons. The accident returns showed 53 persons killed of whom 10 were passengers and 3 employees; and 844 injured, of whom 508 were passengers and 64 employees. Power was supplied in 12 cases by water and in 30 cases by steam. It may be added that the Government subsidies paid to steam railways during the year totalled $2,046,878 while the total of Government and Municipal loans, bonuses, etc., granted up to June 30th was $243,925,230. The number of acres granted by Governments to these roads num-

* Note—Report of Minister of Railways and Canals, 1904.

bered 55,920,402 and the amount, so far realized therefrom, was $56,294,415.

During 1903-4 all Government tolls were removed from the canals as an experiment. Official figures for the former year showed 111,828 tons of grain passing down the Welland Canal from one United States port to another and 29,062 tons passing to ports in Ontario. The quantity of grain arriving at Montreal *via* the G.T.R. and C.P.R. was 253,959 tons and the quantity passing down the whole length of the St. Lawrence Canals to Montreal was 400,057 tons—a large increase in the latter case. The number of vessels passing through the Welland in 1903 was 1,787 as against 1,568 in 1902 with 370,225 tons carried from one United States port to another as compared with 269,029 in 1902. The total freight from all sources was 1,002,919 tons as against 665,387. Two-thirds of this was carried in Canadian vessels.

The Sault Ste. Marie Canals—United States and Canadian—held their own during 1903 and that was saying much. According to the United States annual Report the total value of the freight carried was $349,405,014 while the total tonnage was 34,674,437 as compared with 35,961,146 in 1902 and 5,494,649 in 1887. The Canadian proportion of the traffic showed a decrease, as in 1887 the value of the American vessels passing through the Canals was $17,684,550 and of the Canadian $2,089,400, while in 1903 it was respectively $68,252,800 and $6,384,500. Of the grain traffic of the West and its destination the *Northwestern Miller* was authority for the statement that Fort William and Port Arthur shipped, in 1903, 35,525,798 bushels of grain and that of this 38 per cent. went to Buffalo and Port Huron and the balance to Canadian ports. Chicago shipped 13,985,000 bushels to Canadian ports and Duluth 7,142,000 bushels. Much of this was for local consumption but the actual exports of grain included 19,934,278 bushels from Montreal, 2,311,872 from St. John and 1,629,860 from Quebec. Speaking in this connection to the Canadian Club, Toronto, on Jan. 18th, Sir T. G. Shaughnessy urged the giving of greater consideration to Canadian waterways:

> The distance from Fort William to Montreal is, in round figures, 1,000 miles. The distance from the east end of Lake Nipissing—that is, North Bay—to Montreal is 365 miles; the distance from Midland to Montreal can be made 360 miles. Wheat or flour, or anything else in the nature of coarse products, can be carried by water at one-quarter the cost from Fort William to Midland or North Bay that it will cost to carry the same traffic nearly 650 miles over the railway. . . . The advantage that would result from the utilization of these waterways would be that we build up the Canadian fleet on the great lakes. One reason that the year before last 13,000,000 bushels of Canadian wheat went to Buffalo was that a great many United States bottoms, trading to Fort William with coal, were able to take cargoes back to Buffalo on a very low basis of rates. . . . In connection with the transportation facilities of the country we must have proper terminals at the Atlantic ports, and all of them should be under the control of the general Government; they should be up-to-date ports.

Several projects of importance were discussed or advanced during the year. Apart from the political controversy over the Trent Valley Canal outlet that project (connecting Georgian Bay with Lake Ontario) was brought prominently before the Transportation Commission on Mar. 24th. Mayor Rogers of Peterborough summarized existing conditions in his speech: "About 100 miles of the Trent Valley system have been completed at a cost of $4,000,000 by the construction of 25 locks and short sections of canal. There remains but 33 miles of the Canal to be completed, at a cost of $5,000,000. The work that has been done is of no avail if the northern and southern extremities are not completed. The annual interest on the expenditure to the present is $120,000 and it is going to waste. The water rate for grain from Chicago to New York is fifteen cents per ton mile, and to Montreal twenty-three cents. The Trent will afford a much cheaper means of transit than the Erie Canal."

On July 10th a great hydraulic lift-lock connecting two of its sections and completing a chain of navigation 160 miles long was opened under impressive circumstances and with speeches from the Minister of Railways, the Postmaster-General, Senator Cox and others. The lift-lock cost $500,000, took 8 years to construct and was stated by the Hon. Mr. Emmerson to be the first of its kind in America and the greatest in the world. The Canal was discussed in the House of Commons on July 15th and Aug. 6th and upon the latter date Lieut.-Col. H. A. Ward, Mr. E. Guss Porter, and others, urged that the time had come for its completion. In the *Globe* of Aug. 20th appearad a letter from Mr. Thomas Murray, M.P., urging the Dominion Government to take action and marshalling an array of facts to prove that Canadian development needed this new outlet for its Western produce. Meanwhile, on July 14th, the Premier, Sir W. Mulock and the Minister of Railways received a large deputation from Pembroke, Sturgeon Falls, North Bay, Arnprior, and various places in the Ottawa Valley, asking for further aid to the project. Sir Wilfrid Laurier's reply was favourable to the project but only as a Government work.

Early in the year Sir William Mulock paid a visit to Mexico and, it was generally understood, entered into trade and steamship negotiations with the Mexican Government. In May following, Senor Armendaris, representing the Mexican authorities, was in Canada to continue the negotiations and on May 9th told the Ottawa *Citizen* that large sums of money were being spent on Mexican harbour works, that Mr. James Ross and his Electric syndicate had won the good-will of the people there, and that dairy produce, agricultural implements, fish and lumber, were the products which his country could best take from Canada. In the House of Commons on July 25th a vote of $50,000 to meet a corresponding sum granted by Mexico was included in the estimates for a Pacific steamship service between the two countries.

If successful, Sir R. Cartwright said, an Atlantic line would also be established.

In October the contract was awarded to Andrew Weir and Co. of Glasgow—the steamships to carry 4,500 tons of freight each and 300 to 400 steerage passengers; the port of embarkation to be Vancouver, and Victoria a port of call; the contract to run for five years. The trade of Canada with Mexico in 1903, it may be added, was $262,000 while that of the United States was $83,000,000. At a meeting of the Vancouver Board of Trade on Dec. 11th some very pessimistic expressions were used as to the prospects in this connection. Meanwhile, Sir W. Mulock, had made a second trip to Mexico and in the capital of that country on Dec. 15th issued a statement in the course of which he said: "The Pacific steamers will carry to Canada Mexican sugar, tobacco, hides, ores, tropical fruits, cotton, coffee, hardwood and some vegetables. Coal, coke and lumber will form a principal part of the export cargo to Mexico."

Meanwhile, the Allan Line Steamship Co. had been building a powerful steamer fitted with turbine engines and capable of making a 5½ days' passage across the Atlantic. It was the first of its kind, although the Cunard Line was understood to be following suit, and on Aug. 25th when the *Victorian,* with a cargo capacity of 800 tons and an accommodation for 1,300 passengers, was launched at Belfast, there was a good deal of natural pride felt in the enterprise shown by Messrs. H. & A. Allan. A twin steamship, the *Virginian,* was also under construction. As to Canadian shipping the year ending Dec. 31st, 1903, showed official figures of 7,020 vessels, inclusive of all kinds, with a registration of 683,147 tons—an increase of 184 vessels and 30,534 tons over 1902. The steamers numbered 2,419 with a gross tonnage of 338,251. The estimated value of this registered tonnage was $20,494,410. The new vessels built in 1903 were 328, of 30,323 tons, valued at $1,364,535. Of this shipping Ontario had 1,778 in number, Quebec 1,228, Nova Scotia 2,069, New Brunswick 929, British Columbia 629, Prince Edward Island 164, Manitoba 139 and the Yukon 14. For the year ending June 30th, 1904, the vessels entering inward and outward at Canadian ports had a tonnage of 31,202,205 and those employed in the coasting trade a tonnage of 45,505,122.

The Canadian Pacific Railway

On June 30th, 1904, this great railway corporation had a mileage, included in its traffic returns, of 8,332; a mileage of other lines worked of 438; a mileage of 338 under construction; and a mileage in the Minneapolis and St. Paul and Duluth, South Shore and Atlantic Railways amounting, respectively, to 1,048 and 565. The total acreage of its agricultural lands was 11,338,350 with 3,744,324 other acres held in British Columbia. Its sales of these lands to date had amounted to

9,123,273 acres at $32,577,067, together with 6,793,014 acres disposed of to the Dominion Government in 1886 at $10,189,521, and other lands belonging to acquired lines and sold at a total of $2,428,262. Deducting certain specific amounts the total sum realized had been $41,160,443. Of its steamship services there were 14 vessels on the Atlantic, 5 on the Pacific, 13 on the Pacific Coast, 3 on the Upper Lakes, 17 on British Columbia lakes and rivers and two on Ferry service. The condensed balance sheet for the year was as follows:

ASSETS, 1904.

Road and Equipment	$256,665,689
Steamships	11,909,120
Acquired Securities held	46,875,306
Real Estate, Hotels, etc.	2,724,418
Due on Land and Town Sites sold	15,252,309
Advances to other Roads	1,604,688
Materials and Supplies	5,802,494
Traffic Balance, etc.	5,412,382
Cash	11,741,703
Miscellaneous	931,184
Total Assets	$358,919,293

LIABILITIES.

Common Stock	$ 84,500,000
Preferred Stock	33,473,333
Consolidated Stock	82,355,218
Bonds	58,738,086
Current Accounts	7,764,097
Interest and Rent	1,770,184
Subsidies and Bonuses	30,673,284
Net proceeds of Lands	41,160,444
Surplus	17,561,046
Miscellaneous	923,604
Total Liabilities	$358,919,296

The receipts for the year totalled $30,727,680. This included $2,703,053 from land sales; $444,174 from Dominion Government subsidies to branch lines; $979,393 realized from issue of £200,000, 4 per cent. preference stock and $15,679,340 from the issue of £3,103,349 consolidated stock. The expenditures totalled $31,158,589, including $1,303,406 as dividend on Preference stock and $5,070,000 on Ordinary stock; $10,968,200 spent on construction and improvements; $6,248,762 spent on rolling stock, shops and machinery; $3,404,437 in acquisition of certain securities and $3,000,000 paid Dominion Government on account of bonds. The freight carried during the fiscal year was 11,135,896 tons compared with 10,180,847 tons in 1903 and the passengers carried were 6,251,471 as against the corresponding figure of 5,524,198. The freight included 52,990,151 bushels of grain, 1,267,804,321 feet of lumber, 5,270,432 bushels of flour, 1,314,814 head of live stock and 3,119,659 tons of manufactured

articles. The gross earnings for the year were $46,469,132 and the working expenses $32,256,027—leaving the net earnings $14,213,105.

In the President's annual Report, dated Aug. 25th, Sir Thomas Shaughnessy referred to the £3,103,349 of consolidated stock issued for the purchase of 15 Atlantic steamships, the construction of 260 miles of additional road and the acquisition of bonds of other Companies on which the interest had been guaranteed by the Company; the agreement with the Dominion Government as to the selection of the balance of their land grants and the acceptance of some 2,900,000 acres in a solid block in the "Irrigation Tract" between Medicine Hat and Calgary; the acquisition of the Tilsonburg, Lake Erie and Pacific Railway, extending from Port Burwell to Ingersoll, and affording connection by vessel with the coal districts of Pennsylvania; the immediate construction of 2 branch lines to the Calgary and Edmonton Railway and the leasing, for 999 years, of the Northern Colonization Railway extending some 21 miles in Quebec Province, and the Guelph and Goderich Railway in the Province of Ontario; the value of the Atlantic Steamship Line as an auxiliary to the Railway; the construction, now proceeding, of a line from Sudbury to a point near Kleinburg, on the Ontario Division of the Grand Trunk Railway—some 230 miles.

It was announced also that in view of the large expenditures on Capital account, and to provide for future requirements, the Directors recommended an increase in the Ordinary stock of $25,000,000. This was duly approved by the Shareholders. Between 1901 and 1904, it was stated in the Report, $31,017,355 had been expended upon additions and improvements in rolling stock, new shops, reduction of grades, permanent bridges, tunnels, stations, elevators, wharves, etc. During the balance of the year the C.P.R. proceeded with its great irrigation works in the region west of Calgary where, it was stated, $5,000,000 would be spent. A main canal 20 miles in length and some 85 miles of secondary, or distributing canals, irrigating some 300,000 acres were features of the scheme in which it was expected that 1,500,000 acres of waste-land would finally be fitted for growing cereals.

The usual discussion of freight rates occurred. On Feb. 20th the Toronto *News* agreed with the charges made by the Canadian Manufacturers' Association as to discrimination in rates from Eastern Canada to Vancouver. "The tariffs, in effect, on American railways and on Canadian roads are compared to show that there is an advantage of from 8 to 20 cents a hundred to the shipper in Boston or New York as against the shipper in Toronto and Montreal." On the other hand and about the same time, Mr. E. W. Thomson, the well-known special correspondent in Canada, and a one-time Canadian, wrote an elaborate review of rates in the Boston *Transcript* proving, apparently, his conclusion that

"railway rates on wheat on the C.P.R. and the Canadian Northern are much more favourable to settlers than those of the Great Northern, the Northern Pacific and their leased lines." Miscellaneous interests in this connection may be summarized as follows:

Jan. 19.—Mr. F. T. Griffin, Land Commissioner of the C.P.R. in Winnipeg, tells the Toronto *Star* that the Railway's 12 million acres of land is worth at least $50,000,000.

Feb. 4.—It is announced that Mr. H. H. Vaughan of the Lake Shore and Michigan Central will be Superintendent of Motive Power for the C.P.R. east of Port Arthur.

Feb. 20.—In connection with the heavy storms of this Winter and the consequent blocking of railway traffic, Mr. McNichol of the C.P.R. describes in the Montreal *Star* the different ways in which they cost money—(*a*) expenditure for the coal that is used by the snow-ploughs, (*b*) expenditure for the extra coal used in propelling trains, (*c*) the loss through being unable to transport freight, (*d*) money expended for wages of men who are employed to shovel the tracks, (*e*) the loss through various accidents.

May 10.—The appointment is announced of Mr. William Francis Tye as Chief Engineer of the C.P.R. System.

May 12.—One of the great C.P.R. wheat Elevators at Fort William is burned to the ground together with 300,000 bushels of wheat.

May 21.—In the *Globe*, President Mackenzie of the Canadian Northern threatens legal action against the C.P.R. if it proceeds with the Sudbury-Toronto line in such a way as to conflict with his James Bay Railway project.

May 23.—The C.P.R. Atlantic Steamship Co. contracts to deliver in England 15,000 tons of lead-ore from the Kootenay District in British Columbia.

June 13.—A double daily mail service is inaugurated crossing the Continent from Vancouver in 4 days and connecting by fast steamer with Victoria.

Aug. 5.—The appointment is announced of Mr. A. Price as Superintendent of Transportation on the C.P.R. west of Winnipeg.

Sept. 11.—The first "hold-up" in C.P.R. annals takes place 30 miles from Vancouver when armed and masked men suddenly appear on the train at 9 o'clock in the evening and eventually escape with about $12,000 in booty. Despite a reward of $1,000 they are not captured.

Nov. 22.—Mr. C. B. Foster is appointed to succeed Mr. A. H. Notman as Assistant General Passenger Agent at Toronto.

Dec. 14.—The C.P.R. orders 25,000 tons of 80-pound rails for prompt delivery from the Algoma Steel Co. after careful technical inspection of the quality of the Steel Company's product.

The Grand Trunk Railway of Canada

This important corporation was much before the public during the year in connection with the Grand Trunk Pacific project and the circumstances in that respect are fully dealt with elsewhere in these pages. *In a less pleasant connection it came in for considerable criticism in Ontario on account of the service given during the severe storms of the early Winter. Many towns and villages found themselves for a time closed off from the outer world and travellers and shippers and consumers all suffered much inconvenience. Some of the Toronto papers—notably the *News*—

* NOTE—See Section I. of this volume.

were very severe in their comments and on Jan. 19th Mr. C. M. Hays, the General Manager, wrote an open letter explaining matters from the Railway's standpoint. He stated that during the past six years the Company had faced a constantly increasing traffic, and a steady demand for greater facilities in the way of additional sidings and station tracks, heavier bridges and more cars and engines, and all in a much greater ratio than it was possible to immediately provide for, despite the free expenditure of money:

> It will be conceded that everything reasonable has been done in this direction by our Company when I state that within the period named we have spent on new steel bridges, of a type designed to carry the largest of modern engines, $4,000,000. We have constructed 132 miles of additional second track in Canada, so that to-day the Grand Trunk System has five times as much double track as all other railways in Canada. We have built 335 miles of additional sidings; have added 11,723 new freight cars, 127 new passenger cars, and 218 engines to our equipment, at a cost of $10,399,565; and for this purpose have not only kept our own shops filled to the fullest capacity, but have ordered from outside shops, paying upon such importations the large duty required. The Company has been very liberal in its expenditures for improved station buildings, both passenger and freight, with the result that 95 new passenger and 49 new freight buildings have been constructed, while 1,480 have been remodelled entirely, or considerable expenditure made thereon.

As to the side lines or branches, which it was said had received little attention, he explained that the main line was a first consideration because if once its traffic was clogged the condition of the branches would be far worse than at present. The work upon the main line had, however, caused delays in through trains and this, coupled with inexperience in the large number of new employees made necessary by the growing traffic, and with the unusually severe weather, created the situation and had re-acted upon the branches. The latter would, he hoped, receive more attention in the future. Commenting upon this statement the *Globe* of Jan. 22nd said: "For several months past there has been a rising chorus of denunciation of the unsatisfactory state of things on the branch lines of the Grand Trunk Railway in western Ontario. For all practical purposes the train crews ceased long ago to pay much attention to schedule time, which they found it impossible to observe, and the whole freight service became utterly demoralized." How far the Company was really responsible for such conditions is impossible to say. Mr. F. W. Hay, Mayor of Listowel, told the *Star* of the 23rd that in Huron, Grey and Bruce Counties the tracks had been covered for mile after mile with snow three feet deep. He defended the Railway warmly for their efforts to meet these conditions and on Apr. 22nd, the Collingwood Board of Trade passed a Resolution of appreciation for the "satisfactory and efficient service" of the G. T. R. There the matter may be left.

Following these special and heavy expenses and the appointment of an Ontario Commission to investigate the question of higher taxation for railways, Mr. Hays wrote a letter which was read before the Railway Committee at Ottawa on May 6th. In it he stated that the Company could not have expenses and taxes materially increased, while increasing their capacity at great cost, without adding to income by a reasonable raising of rates. Increased cost in maintenance of equipment, in the prices of coal, in the cost of lumber, the prices of oil, the additional taxation in Ontario of the past Session, and the necessity for new and heavier engines, roadbed and bridges to prevent traffic suspensions in another stormy year, made it necessary to increase the present income. He stated that the first three months of 1904 in Ontario showed additional expenditures of $242,399 over the same period in 1903 as a result of the snow blockade—an increase of 870 per cent. This proposed action was discussed in the Commons on May 11th, the Opposition naturally making a good deal of the complaints as to service, and the threat regarding increased freight rates, in order to throw a reflected unpopularity upon the G. T. P. project. The Premier merely said that the subject had better be left to the Railway Commission. It afterwards appeared, however, that while the Company, in certain cases, might intend to raise a rate or maintain an existing one which was considered high, the arguments used by Mr. Hays were not intended as a basis for any present general increase of rates.

On Mar. 8th the half-yearly general meeting of the G. T. R. took place in London with Sir Charles Rivers Wilson in the chair and was chiefly occupied in discussing the Grand Trunk Pacific. On Sept. 29th the Report of the Directors for the six months ending June 30th, 1904 was presented to a similar meeting. In it reference was made to the completion of the doubling and deviation of the main line so that there was now a continuous double track between St. John's P.Q., Montreal, Hamilton and Niagara Falls—a distance of 441 miles—and the work was being carried forward in other directions. A Resolution would be submitted (afterwards carried) authorizing the acquisition of control in the Canada Atlantic Railway extending from Depot Harbour (Parry Sound) on Georgian Bay, through Ottawa to the boundary line of Quebec and Vermont—a distance of 400 miles—and including the Canada Atlantic steamers running between Canadian and American ports on Lake Superior and Lake Michigan. The consideration to be given was the guarantee of principal and interest on a mortgage of $16,000,000. This project, it was stated, would strengthen and consolidate the Grand Trunk system, besides giving them a station in the Capital of Canada. Subsequent to this meeting the official figures up to Dec. 31st, 1904 were made public and the following are the particulars for the year:

	To June 30th, 1904.	To Dec. 31st, 1904.	Total for the Year.
Gross Receipts	£2,559,315	£3,129,814	£ 5,689,129
Working Expenses	1,895,568	2,205,091	4,100,659
Net Traffic Receipts	663.746	924,722	1,588,468
Net Revenue Receipts	755,778	1,031,453	1,787,231
Passengers Carried	3,957,814	5,298,680	9,256,494
Tons of Freight and Live Stock	5,927,994	7,043,376	12,971,370
Train Mileage	8,820,199	9,538,485	18,358,684
Outlay on Capital Account	$ 124,282	$ 239,000	$ 363,282
Gross Receipts, Grand Trunk Western	506,147	522,280	1,028,427
Working Expenses, Grand Trunk Western	432,874	444,173	877,047
Gross Receipts, Detriot, Grand Haven and Milwaukee	117,746	160,915	278,661
Working Expenses, Detroit, Grand Haven and Milwaukee	100,078	109,364	209,442

According to the Directors' Report of Dec. 31st, 1904 a London Committee of the G. T. P. Railway Company, consisting of members of the Board of the Grand Trunk Railway, had been constituted to administer the affairs of the former concern in England. The statement at the end end of the year showed the loan capital and debenture stock of the G. T. R. to be £24,389,826 with £1,067,800 annual interest; the securities held by the public, subject to acquisition by the issue of Grand Trunk debenture stock, to be £15,347,422; the securities owned by shareholders of the Company to be £22,004,004. The expenditure during 1904 for maintenance of way and structure was $4,027,758 as compared with $4,067,082 in 1903 and the operated mileage was 3,536 as compared with 3,562. In the general statistics of the Railway, as above, there was in almost every item a diminution from the figures of 1903.*

On Sept. 29th, the general meeting of the Company in London authorized the acquisition of the franchises, property, and assets, of the Canada Atlantic Railway, as stated above. This arrangement with Mr. J. R. Booth's well-known road, as finally consummated, disposed of the most important of the independent railways of Canada—outside of the three great corporations—and, it was more than hinted, anticipated action by either the Dominion Government, or Mackenzie and Mann for their Canadian Northern system. The gross earnings of the Line for the year ending June 30th, 1903, had been $1,908,025 and its expenditures $1,188,735. Its capital was made up of $2,000,000 Preferred and $5,200,000 Common stock, paid-up, with outstanding 5 per cent. bonds of $4,450,000. Its miles of track owned were 497 and those of leased lines 61 miles. Its Lake fleet included 4 large freight steamers and in 1901 the Railway carried 18,000,000

* NOTE—See *Canadian Annual Review* for 1903, page 424.

bushels of grain over its route. Minor incidents of the year in connection with the Grand Trunk may be summarized briefly:

Jan. 18.—It is stated that the G.T.R. has ordered 15,000 tons of the best English rails at $23.50 as against $26.00 paid by the Canadian Northern in New York for $25,000 worth.

Mar. 8.—Mr. Joseph Price resigns the Vice-Presidency of the G.T.R. and is succeeded by Mr. Alfred W. Smithers. Mr. George Allen resigns his seat on the Board of Directors.

Mar. 23.—Messrs. C. M. Hays and W. Wainwright interview Mr. Premier Ross regarding, it is said, a subsidy for a branch line of the G.T.P. from Thunder Bay to the main line North.

Apr. 29.—It is announced that Mr. Fred. C. Salter will be European Traffic Agent of the G.T.R. with headquarters at 22 Water St., Liverpool.

June 8.—The arrangement is closed by which, it is understood, the G.T.R. acquires control of the Hamilton, Grimsby and Beamsville Electric Railway.

Aug. 31.—An accident on the Grand Trunk near Richmond, Que., results in the death of Mr. J. B. Blanchet, M.P., and a number of other persons.

Dec. 5.—Mr. John Bell, K.C., retires from the Solicitorship of the Grand Trunk Railway and is succeeded by Mr. W. H. Biggar who has as his chief assistant Mr. Mahlon K. Cowan, K.C., ex-M.P.

Dec. 29.—It is announced that Mr. E. H. Fitzhugh will succeed Mr. Morse as 3rd Vice-President of the Grand Trunk while Mr. F. H. McGuigan becomes 4th Vice-President in charge of the maintenance and transportation departments.

The Canadian Northern Railway

Messrs. Mackenzie and Mann's project, with all its intricate details of new and acquired and branch lines, and ambitious efforts at the creation of a connected system across the continent, made good progress during the year despite the apparent rivalry of the Grand Trunk Pacific. To its 1,349 miles of road 252 miles were added in 1904. During the year 441 miles were constructed, of which 215 were on the main line. From Port Arthur, its present terminus at the head of Lake Superior, the Railwav at the close of the year ran westward through the mining and lumber regions of the Thunder Bay and Rainy River into Manitoba and thence across the rich farming lands of that Province *via* Winnipeg, to Dauphin, where it divided and struck westerly with one line into Assiniboia and across Southern Saskatchewan to Clark's Crossing —with expected speedy projection into Edmonton—while the other line struck through North-Western Manitoba into the rich valley of the Saskatchewan from whence it almost reached Prince Albert. A network of branches also stretched out from Winnipeg through the farm lands of Manitoba. Owning two railways in Nova Scotia, constructing the James Bay Railway between Toronto and North Bay and arranging to connect from the Georgian Bay with the recently acquired Great Northern line running into Montreal and Quebec, the Canadian Northern promoters had well in hand (Dec. 1904) a railway and steamship line, running from Quebec, Montreal, and Toronto to Edmonton in the far West, with a future

probable connection through the Maritime Provinces with an Atlantic port.

On June 30th, 1904, the capital stock of the Company was $25,750,000 to which should be added $1,946,666 4 per cent. perpetual debenture stock, $10,841,313 first mortgage 4 per cent. bonds and $3,180,356 Car Trust obligations. The cost of the Line and equipment up to that date was placed at $40,339,489 and the current liabilities at $1,316,540. The gross earnings of the Canadian Northern for 1904 showed an increase of $698,729 over the preceding year. The general figures were as follows:

	1903.	1904.
Gross Earnings	$2,449,579	$3,242,702
Operating Expenses	1,589,293	2,120,772
Net Earnings	860,285	1,121,930

The gross earnings from July 1st to Dec. 31st, 1904, were $2,098,700 and the expenses $1,375,800. The freight carried in the year ending June 30th included 9,992,195 bushels of grain, 117,517,000 feet of logs and lumber, 171,714 cords of cordwood, 47,806 barrels of apples and 262,973 tons of manufactured articles. The number of passengers carried was 358,133 or an increase of 76,332, and the tons of freight carried was 1,109,585, or an increase of 207,977. The net earnings per mile increased $157.63. Of the mileage operated in the beginning of 1904 it may be added that 353 miles were in Ontario, 930 miles in Manitoba, 22 miles in the Territories and 43 miles in the State of Minnesota. The general officers included Mr. William Mackenzie as President, Mr. D. D. Mann, Vice-President and Mr. D. B. Hanna, 3rd Vice-President. Speaking to the *Globe* on Dec. 3rd President Wm. Mackenzie referred to the rapid progress of their construction in the West and to the hope of getting into Edmonton by October, 1905, and into Prince Albert much earlier in the year than that. The line would then be extended beyond Edmonton. He was asked about plans as to entering British Columbia, but said they had not taken up active negotiations yet in that respect. "You know," he said, "we expected at one time to be the favoured people to build this new transcontinental road. Now we must go along as best we can and it may take a little longer than it otherwise would." To the Manitoba *Free Press* on Dec. 9th, Mr. D. D. Mann stated that in the North-West and in Nova Scotia they had built between 600 and 700 miles of railway during the year. Miscellaneous incidents in connection with the C. N. R. were as follows:

Jan. 12.—The Illinois Steel Co. of New York, a subsidiary concern of the United States Steel Corporation, is stated to have secured from Mackenzie and Mann of Toronto a contract for 25,000 tons of standard steel rails at $26.00 a ton delivered at Port Arthur.

Mar. 31.—It is announced that the Ontario Government will guarantee the bonds of the projected James Bay Railway from Sudbury to Toronto and that the C.P.R. and C.N.R. have reached an understanding as to running rights over this new adjunct to

the Mackenzie and Mann system. To quote the *News*: "The Canadian Pacific will have running rights over it, and the Canadian Northern will secure a haulage arrangement over the Lake Superior section of the Canadian Pacific. The latter road thus secures a direct line for passengers and freight between this City and the West."

Aug. 5.—Particulars are made public of the plan filed with the Railway Department at Ottawa by Mackenzie and Mann for the construction of the Quebec, New Brunswick and Nova Scotia Railway—a project approved by Parliament at its last Session. According to these plans the road will leave a convenient point on the Great Northern, to connect with the Quebec Bridge. It will follow the valley of the Etchemin River, will traverse the State of Maine and, entering New Brunswick, will proceed by way of Woodstock to Fredericton and Moncton, crossing the Counties of Westmoreland and Cumberland to Pugwash Junction. It will then follow the Intercolonial short line to New Glasgow, where it will join the Mackenzie and Mann short line, already under construction, to County Harbour.

Dec. 24.—It is stated that J. P. Morgan and Co. of New York have purchased $5,000,000 of the Canadian Northern bonds guaranteed by the Manitoba Government.

The Intercolonial Railway System

This Government road was the centre of much heated discussion during the year as to the benefit or otherwise of Government ownership of railways and as to the desirability of its extension to Georgian Bay and thence into the wheatfields of the West. To aid this object Mr. Borden, the Conservative speakers generally, and many papers, urged the acquisition of the Canada Atlantic by the Government and the combination and connection of the two systems. The Hon. Mr. Emmerson, Minister of Railways and Canals, made his first yearly statement concerning the Intercolonial in the Commons on July 4th. The gross earnings for the year ending June 30th, 1903, were stated as $6,324,323, the working expenses as $6,196,653 and the surplus as $127,670. The increase over 1902 was $652,938 in earnings and $622,090 in expenses. The returns from passenger traffic in 1902 were $1,770,941 and in 1903 $1,927,916; from freight they were, respectively, $3,644,513 and $4,128,255.

For the first ten months of the succeeding fiscal year the receipts or gross earnings were $5,287,521, as compared with $5,292,639 in the corresponding period of 1902-3. Similarly the expenses were $5,835,294 as compared with $5,288,763—a surplus in ten months of 1902-3 of $3,876, and a deficit in 1903-4 of $546,530. Increased wages was a chief cause given by the Minister for this deficit, with added expenditures upon betterment and fuel. Wages took $344,394 of the amount, and fuel $128,937. The capital expenditure of 1902-3 was $2,216,744 as against $4,670,590 in the preceding year. The speaker laid down two premises to the further discussion of the subject—(1) that good living wages must always be paid the employees of a Government road and (2) that a practical understanding existed

as to the people enjoying the use of the Intercolonial at the lowest possible rate compatible with its maintenance and that, in fact, those rates should not be raised and (3) that industries now growing up along the line of the Railway would in the future largely increase its freight traffic. The Hon. Mr. Haggart then summarized the condition of the Railway from an Opposition point of view as follows:

> **Has the Minister no pity for the poor ratepayers of Canada—asking $1,651,000 on capital account this year ; a deficit on the running account of the Intercolonial Railway for ten months of last year of $545,000 ; a charge on capital account for ten months of $1,000,000 ; a charge on capital account on the Prince Edward Island road of $6,000 or $7,000, and we do not know what the deficit on the Prince Edward Island road is. Here is a total deficit, including capital account on these two railways, of nearly $2,500,000 ; this notwithstanding that $23,000,000 has been spent on the road since 1896, and the Minister coolly comes down and asks for a further expenditure on capital account of $1,651,000.**

The Grand Trunk Pacific Railway Project

The inception and progress of this project up to the end of the year was in the main a matter of Government and politics but there were certain details which came properly under the treatment of transportation affairs. One of these was the appointment of the Government Commission to take charge of construction from Moncton to Winnipeg. In the Commons on May 18th Sir W. Laurier intimated the change from three to four Commissioners so as to give one each to Ontario, Quebec, the Maritime Provinces, and the West. On Aug. 11th it was announced that Mr. F. B. Wade, K.C., M.P., of Halifax, would be Chairman with Mr. James Duffield of London, Ontario, Mr. C. A. Young of Winnipeg and Mr. Alfred Brunet, formerly Manager of La Banque Nationale, Quebec, as the other Commissioners. Mr. Duffield afterwards retired and was replaced by Mr. Robert Reid of London. These gentlemen constituted, therefore, the Trans-continental Railway Construction Commission. With them were associated Mr. H. D. Lumsden, C.E., of Toronto, as Chief Engineer while Mr. Premier Parent of Quebec represented the Dominion Government on the Directorate. Mr. M. J. Butler was eventually appointed Assistant Chief Engineer. The Directors and Officers of the new Railway were chosen at a meeting in London on Aug. 10th as follows:

DIRECTORS.

C. M. Hays	Montreal.	Col. F. Firebrace	London.
F. W. Morse	"	Hon. G. A. Cox	Toronto.
Wm. Wainwright	"	E. R. Wood	"
W. H. Biggar	"	H. A. Allan	Montreal.
Sir C. Rivers Wilson	London.	E. B. Greenshields	"
Rt. Hon. Lord Welby, G.C.B.	"	J. R. Booth	Ottawa.
A. W. Smithers	"	John Bell, K.C.	Belleville.
J. A. Clutton-Brock	"		

OFFICERS.

Charles M. Hays	President.
Frank W. Morse	Vice-President.
Wm. Wainwright	2nd Vice-President

EXECUTIVE COMMITTEE.

Charles M. Hays.	Frank W. Morse.
Hon. Geo. A. Cox.	Wm. Wainwright.

The Railway Commission in 1904

On Feb. 1st the Act constituting the Board of Railway Commissioners of Canada came into effect. The Hon. A. G. Blair, late Minister of Railways, was Chairman with the Hon. M. E. Bernier, late Minister of Inland Revenue, and Mr. James Mills, LL.D., for many years President of the Ontario Agricultural College, as his associates. The first was an able lawyer and experienced railway administrator, the second a good business man and the third a practical farmer, educationist and scientist. Mr. A. D. Cartwright, barrister, of Toronto and a son of the Minister of Trade and Commerce, was appointed Secretary. The initial meeting of the Commission took place at Ottawa on Feb. 9th and was marked by an opening address from the Chief Commissioner in which he dealt with the long-existent necessity for re-organizing the late Railway Committee of the Privy Council owing to the increase in the volume and character of its business, the public demand for an enlargement of its jurisdiction, and the imperative need for a speedier disposal of its business. They now had an independent and permanent tribunal in its place and the responsibility resting for its conduct upon his colleagues and himself was, he declared, fully recognized. Personally, he had not for months after leaving the Cabinet, any idea of being appointed to his present position but, having had so much to do with the framing of the law which they were now to execute and administer, he felt he could speak and act with knowledge as to the aims and purposes of that legislation. He then summarized the policy of the Commission as follows:

> The powers and the jurisdiction conferred upon this Board are comprehensive in their scope, far-reaching in their effects, and they will touch at a vital point the already immense and constantly increasing business interests of the country on the one hand, and the great and always growing railway interests on the other. It was not in the contemplation either of the framers of the Bill, or of Parliament in enacting it, that it should be so administered as to jeopardize or impair the just and proper interests of either the railways or the public. We, who have put upon us the grave responsibility of interpreting and executing this law, cannot enter upon experiments without the utmost caution, lest what we may do should prejudicially effect either general business or the proper railway interests of the country. In our judgment these interests, rightly understood and properly regulated, are not hostile or adverse, but in the largest sense complementary to one another, helpful and concurrent. In so far as we are endowed with capacity for the purpose, it shall be our endeavour, in this sense, so to administer the law.

During succeeding months of the year Messrs. Blair and Mills, accompanied by Mr. George Blair, jr., as acting Secretary, sat in Ottawa and Toronto, visited Owen Sound and other Lake ports, and traversed some 7,000 miles of the North-West and British Columbia in performance of the duties of the Commission. Mr. Bernier remained in Ottawa, with the Secretary, to transact permanent business which could be attended to by one Commissioner. Practical knowledge of existing and changing conditions in the West was the cause of the tour in that region where the two Commissioners covered the main line of the C.P.R. to the coast, the branches to Prince Albert and Edmonton, returning through the Kootenay district and the Crow's Nest Pass and including the Macleod and Edmonton branch. They also covered the Canadian Northern between Fort William and Winnipeg. They visited the Port Arthur and Fort William terminals, inspected the facilities afforded for the storage and transhipment of grain; at Rainy River and in British Columbia they visited the large lumber mills; they had meetings in Winnipeg, Carberry, Brandon, Regina, Prince Albert, Medicine Hat, Calgary, Macleod, Edmonton, Revelstoke, Vancouver, Victoria, New Westminster, Vernon, Nelson and Macleod.

In Manitoba the Commissioners visited the large ranches, talked freely with the owners, with farmers, cattle-shippers, fruit growers, lumbermen, representatives of the different trades and towns and railways. They noted, according to a statement by Mr. Nelson R. Butcher, the official stenographer, the great personal influence in the West of Mr. Wm. Whyte of the Canadian Pacific. In Vancouver and New Westminster they heard the diverse views of millers and railway men, the intricate issues and the general questions relating to freight rates. The matter of alleged railway discrimination in rates against the Canadian long-distance shipper and in favour of United States interests was carefully investigated and an analysis of the subject received from the Transportation department of the Canadian Manufacturers' Association.

The first decision of the Commission was given out in connection with the highly controversial subject of the application of Fort William and Port Arthur to be allowed to put their municipal telephone systems into the stations and offices of the C.P.R. The three Commissioners differed in their interpretation of the law and therefore Mr. Blair's judgment became the final decision. Under this judgment the Company was ordered to admit the telephone systems to their stations but not until evidence had been taken as to the compensation due the C.P.R. and the Bell Telephone Company under existing contracts. On Apr. 13th, the Governor-General-in-Council reversed an important decision of the Commission regarding level crossings of the Canadian Pacific and it was thought at the time that Mr. Blair might resent the action taken. A little later the Commission granted

the long-desired permission to the Vancouver, Westminster and Yukon Railway to cross the tracks of the C.P.R., thus letting the Great Northern and Northern Pacific Railways into New Westminster and Vancouver. On July 22nd a decision was given which rendered probable a Union Station in Toronto for the C.P.R., the G.T.R. and the C.N.R. Mr. Blair's resignation startled the political and business world of Canada on Oct. 18th and it was afterwards stated that there were at the time about 50 judgments pending in connection with the Western tour of the two Commissioners. His successor was not appointed at the close of the year. The general position of the Commission may be summarized as follows:

1. Absolute regulative powers in regard to rates, preferences, discriminations, rebates, and secret rates.
2. Supervisory powers in regard to through rates and through routes.
3. Power to compel equal, proper and reasonable facilities for shipment to all persons and companies.
4. To regulate traffic agreements.
5. To regulate and supervise highway and railway crossings.
6. To investigate into serious accidents, and the causes of accidents.
7. To exercise a general supervision and control over safety appliances and all matters touching the convenience and safety of the public and employees of the railways, the safety of property, and the operation of trains and the railways generally.
8. To regulate and supervise the general construction of railways—the location of the line and stations—the construction and maintenance of railway bridges, tunnels, etc., drainage, fences, gates and cattle guards, farm crossings, etc.
9. To supervise the opening and closing of railways in interest of the public safety.
10. To see that the various railways obey the provisions of the Acts, general and special, under which they operate.

MISCELLANEOUS TRANSPORTATION AFFAIRS

Jan. 8.—In an interview at Montreal Mr. John Bertram, Chairman of the Transportation Commission—not to be confounded with the Railway Commission*—makes the following remark: "The first problem that we will try to solve will likely be that of finding the shortest and cheapest route from Lake Superior to the markets of England. Then comes the problem of a port on Hudson's Bay that will be the natural port of a large part of the North-West. What would seem one of the best solutions of the question of traffic from the West to England would be the establishment of a satisfactory through steamship service between Fort William and Montreal."

Jan. 18.—Mr. A. E. Ames' resignation of the Chairmanship of the Temiskaming Railway Commission is accepted after being held in abeyance, by request, from the preceding June.

Feb. 1.—An agreement comes into operation between the Government of Canada, the Royal Trust Co. and the Quebec Bridge and Railway Company giving effect to a Dominion guarantee of the bonds of the Bridge Company, in both capital and interest, to the extent of $6,678,200. Construction is at once proceeded with.

* NOTE—See *Canadian Annual Review* for 1903, pages 431, 432.

Feb. 2.—In an address to the Canadian Club, Toronto, Mr. H. J. Pettypiece, M.L.A., gives some interesting facts as to railway taxation upon the Grand Trunk System in Canada and the States. "On the 3,000 miles in Canada the tax is $60 per mile, and on the 1,000 miles in Maine, Vermont, Michigan, Indiana, and Illinois it averages $400 per mile. A still stronger contrast is afforded by the St. Clair Tunnel, which is half in Michigan, and half in Ontario. The Canadian end obtains a subsidy of $285,000, while the Michigan end receives no public aid. The passenger rate on the Canadian side of the river is three cents a mile as compared with two cents a mile on the American. And the American end of the tunnel pays a tax of $29,400 and the Canadian $600."

Feb. 7.—Mr. J. Alexander Culverwell, the well-known advocate of the Trent Canal, lectures before the Canadian Institute, Toronto, on "The Development of Canadian Waterways."

Feb. 22.—Mr. Robert Jaffray of Toronto is chosen President of the Temiskaming and Northern Ontario Railway Commission of which Messrs. E. Gurney, Toronto, B. W. Folger, Kingston, T. E. Leonard, London, and M. J. O'Brien, Renfrew, are the other members.

Mar. 22.—The Transportation Commission holds a two days' session in Toronto with its object stated by Mr. Chairman Bertram as being "to see whether Toronto can use the transportation facilities which her position on the water highway from the great North-West affords her."

Mar. 24.—The Good Roads Association of Nova Scotia holds a Convention at Truro and re-elects Mr. Alex. McNeil of Halifax, President.

Mar. 25.—Lord Strathcona writes to the London *Times* correcting statements as to the closing of Canadian ports in Winter and pointing out that only Quebec and Montreal are in this condition and quoting as follows from the reports of the Hydrographic Office of the Admiralty :

"Halifax Harbour possesses an area of 10 square miles, is open at all seasons, and its navigation is scarcely ever interrupted by ice (those who live on the spot would say never). It is one of the finest and safest harbours in the world, affording space and depth of water sufficient for a large number of vessels. St. John Harbour. One of the most remarkable and beautiful in America. Is safe, commodious, and always accessible ; its navigation, even during the Winter months, is never impeded by ice."

Mar. 25.—The retirement is announced of Mr. C. F. Gildersleeve, Manager of the Richelieu and Ontario Navigation Company. He is succeeded by Mr. C. J. Smith, late of the Canada Atlantic Railway.

Mar. 31.—Mr. Robert Reford of Montreal, the well-known steamship and shipping authority, addresses the Canadian Club, Toronto, upon the Fast Atlantic Line project. He expresses his deep conviction as to the necessity of such a line. "80 per cent. of Canada's mails and passengers go and come *via* the United States, largely New York, in preference to the Canadian route—the effect of which has been disastrous to Canada, by giving the world (the people of Great Britain included) the idea that Canada cannot give a mail and passenger service equal to that obtainable *via* the United States, thereby emphasizing the feeling, which has been so injurious to Canada, that the United States possesses on the continent of North America all that is worth having, and that Canada is a place greatly inferior as regards settlement or investment of capital."

Apr. 7.—Mr. J. G. Scott, Manager of the Quebec and Lake St. John Railway and a promoter of the Trans-Canada project states

that the latter line, running to the North of Lake Winnipeg, will be pushed to completion.

Apr. 8.—The *Anticosti*, a Dominion Government Lightship for use in the Gulf of St. Lawrence, is launched from the Polson Iron Works in Toronto.

Apr. 25.—The Dominion Government announces their intention of purchasing the Canada Eastern Railway, running from Fredericton to Chatham in New Brunswick, and meeting the Intercolonial at the latter point. Its total length is stated at 125 miles with a paid-up share capital of $1,000,000, a bonded indebtedness of $1,854,174, Dominion bonuses received of $374,839, Provincial aid received of $400,000 and Municipal bonuses of $20,000 received with capital from other sources of $331,571. Its total cost is stated at $2,098,411, its gross earnings at $116,536 and its expenses at $113,862.

Apr. 27.—The French steamer *Malou* sails on its first return trip in the new service running from Dunkirk and Bordeaux in France to Halifax in Winter and Quebec and Montreal in Summer.

May 27.—It is announced that Mr. H. J. Pettypiece, M.L.A., Judge Archibald Bell of Chatham and Prof. A. Shortt of Kingston will constitute the new Ontario Committee of Inquiry into Railway Taxation.

May 29.—Mr. Ralph Smith, M.P., writes to the City Clerk of Nanaimo, B.C., strongly approving the proposed Provincial purchase of the Esquimalt and Nanaimo Railway and promising to aid in getting increased cash assistance from the Dominion authorities if this were done.

June 3.—According to the Toronto *News* the exact figures of net revenue to cost of railway construction in the five continental States of Australia is as follows :

Queensland,	1902-3	1·80
New South Wales,	1902-3	2·52
Victoria,	1901-2	2·96
South Australia,	1902-3	3·37
Western Australia,	1901-2	3·56
Average percentage for Continent		2·67

In New Zealand the State railways in the year, ending Mar. 31st, 1903, paid 3·3 per cent. on the cost of construction.

June 12.—The R. and O. N. Steamer *Canada* is the victim of a collision in the St. Lawrence near Sorel. The vessel, valued at $190,000 is sunk and several lives are lost.

June 13.—The C.P.R. places a new and fast steamer, the *Princess Victoria*, on the daily route between Victoria, B.C., and Seattle, U.S.

June 14.—The new Dominion Fisheries' Cruiser, *Canada*, is launched at Barrow-in-Furness, England—Lady Strathcona performing the ceremony.

June 17.—Mr. J. J. Hill, President of the Great Northern and Northern Pacific Railways, is interviewed in Montreal by the *Herald* and says that :

"The American railroads have no intention of invading Canada on any large scale at present. They are simply hanging back and watching the progress that your country is making ; they are waiting for their opportunity and when the occasion arrives and the time is ripe, then, and then only, will they make an effort to secure a large slice of the Canadian trade. As matters stand now the Canadian railways are quite capable of taking care of the trade of the Dominion but it is growing rapidly, the great West is becoming well settled and it is not to be wondered at that the American roads are throwing covetous glances at your country."

June 21.—The Trans-Canada Railway Bill is approved by the Railway Committee at Ottawa making the capital stock $2,000,000 with no one call to exceed 10 per cent. on the subscribed stock and a promised expenditure of 15 per cent. of the capital stock within two years—the road to be in operation within eight years.

June 28.—In connection with Mr. W. F. Maclean's advocacy of a two-cent passenger rate on railways the Railway Committee at Ottawa receives a statement said to have been prepared by Mr. Wainwright, from United States Interstate Commission statistics and Canadian Government returns (1902), as follows :

	Length of Railways in operation.	Miles run by Passenger Trains.	Gross Amount Received.	Average Receipts per Passenger Train Mile.	Average Number of Passengers per Mile of Railway
	Miles.	Miles.		Cents.	Number.
All Railways in United States	200,155	405,613,231	$392,963,248	96·88	3,246
New England States (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut)	7,907	34,246,743	38,917,536	113·64	14,584
Middle States (New York, New Jersey, Pennsylvania, Delaware and Maryland)	22,052	96,786,669	94,260,170	97·39	10,990
Canada	18,714	23,537,537	22,600,000	96·02	1,105

July 1.—Mr. E. H. McHenry, lately of the C.P.R., assumes the position of 4th Vice-President of the New York, New Haven, and Hartford Railroad Co.

July 7.—Sir Richard Cartwright announces in the Commons that the annual subsidy for the ocean mail service to Great Britain has been increased from $175,000 to $260,000 under the agreement with the Allan Line by which the latter are to build two new turbine steamers and receive $10,000 per round trip for their use in this connection.

July 30.—Mr. Justice Duff renders judgment in the Streets Ends case in British Columbia by which the C.P.R. holds its right of access to the waters of Vancouver Harbour through certain streets of the City.

Aug. 16.—The Hon. Mr. Prefontaine, Minister of Marine and Fisheries, makes the following reference to the construction of the Grand Trunk Pacific : " The surveys have been almost completed, and it is the intention of the authorities of the Grand Trunk Pacific Railway to begin construction at both ends of the line, from Winnipeg west and the Pacific coast towards Winnipeg. And it is the intention of the Government, who have the control of the construction from Winnipeg to Moncton, to begin construction from Winnipeg east and from Moncton west."

Sept. 11.—The Dominion Government's new Fisheries' protection Cruiser, the *Vigilant*, for use on Lakes Huron and Erie, is launched from the Polson Iron Works, Toronto.

Sept. 30.—The Canada Eastern Railway of New Brunswick passes into the hands of the Dominion Government by the payment of $800,000 purchase money to the agents of the owners in Montreal.

Nov. 8.—The Halifax Board of Trade approves a Resolution passed by the recent meeting of the Maritime Boards of Trade in favour of immediate establishment of a Fast Atlantic Line and appoints a Committee composed of Messrs. Alex. Stephen, G. S. Campbell, A. M. Payne, J. E. de Wolf and Hon. W. Ross to urge the scheme forward.

Dec. 7.—It is announced that Messrs. Speyer & Co. of London and New York have bought $14,600,000 worth of Grand Trunk Pacific bonds.

Dec. 17.—Plans are filed at the Railway Department, Ottawa, by the Grand Trunk Pacific Company indicating the lands they desire to expropriate for terminals at Fort William, Port Arthur and Port Simpson, B.C.

Dec. 18.—The Dominion Atlantic Railway running from Halifax to Yarmouth, N.S., purchases for $1,250,000 the Midland Railway, running for 58 miles through the Counties of Hants and Colchester.

Dec. 22.—The sale of the Ottawa and New York Railway running from Ottawa through Russell and Stormont Counties to the United States boundary and the Adirondacks, and connecting at Tupper Lake, N.Y., with the New York Central, is announced to the latter road.

Crow's Nest Pass Collieries—Tipple and Coke Ovens at Michel, B.C.

Showing Ovens in operation and others in course of building.

Crow's Nest Pass Collieries—Coke Ovens at Fernie, B.C.

Box Cars between Coke Wharves loading Lorry on top of Ovens.

X.--FINANCE, INSURANCE, COMMERCE AND INDUSTRY

Canadian Business Conditions during 1904

The prosperity of 1903 continued through the ensuing year in Canada and there were no serious stock and speculative troubles to mar the record of the later period. Any financial depression existing in the States did not greatly affect the Dominion as a whole and a pretty good harvest, combined with continuous railway construction and increasing immigration produced a business result shown fairly well in the increased bank clearings at Montreal, Toronto, Winnipeg, Halifax, Hamilton, St. John, Vancouver, Victoria, Quebec, Ottawa and London from a total of $2,539,142,018 in 1902, to $2,698,912,952 in 1903 and $2,741,440,813 in 1904. In dealing with the general condition of the country at the Bank of Montreal annual meeting on Dec. 5th, Sir George A. Drummond, Vice-President, described the year as a good one in the dry-goods trade, in leather, in groceries and in provisions; unsatisfactory in live-stock, boots and shoes and cheese; with reduced production in lumber and a better showing in butter and woollen goods. Mr. E. S. Clouston, General Manager, summarized the situation as follows:

> On the whole, it may be said that the past year has been a prosperous one for Canada, though there have been special industries which did not participate. Lumber markets have been very disappointing, and the prices for dairy products unsatisfactory. Certain industrials have suffered from foreign competition, but on the other hand some of our important industries are now reviving under more experienced and intelligent management.

Returning from the North-West Mr. E. R. Wood of Toronto told the press on Sept. 28th that he had found the farm-mortgage situation very sound. "The farmers are becoming well off and are redeeming their mortgages. The real estate market is active but I do not think there is any undue speculation in farm lands." Mr. Byron E. Walker, General Manager of the Canadian Bank of Commerce, in his annual and elaborate review of affairs at his shareholders' meeting (Jan. 10th, 1905), described the British investor as having been very exacting and the United States as having recuperated steadily from its troubles of early in the year. In Canada an important change had taken place through the United States buying many millions of its best securities and bonds together with large sales of a similar kind to international banking houses. "Not only," he proceeded, "are these facts of great significance to the general credit of Canada, but they are a sufficient warrant of our ability to press with unusual vigour the many important enterprises in transportation now being or about to be carried on. Our outlook was never before so large in scope

or so hopeful; nevertheless, there are many minor features which are not in themselves favourable to rapid progress, and the effect of these may be partially seen in our exports and imports." Reference was made at length to the yearly decreasing exports and increasing imports as indicating a serious feature in current conditions.

In the Maritime Provinces the results in yield, or in price of natural products, was described as unsatisfactory, though progress had been made in the iron and steel industry and in trade with the West Indies. In Ontario it had been a bad year for the farmer, by many millions less than the financial return of 1903 for his products, though prosperity in trade and manufacturing continued unabated. The West gave the farmers good returns through high prices and despite the severe winter which affected them as it did their brethren in Ontario. While referring to the increase in Western settlement and the rising land values, Mr. Walker, however, deprecated "the widespread mania for owning land as a speculation instead of as a permanent investment." The cattle trade of the year was described as unsatisfactory in both Manitoba and Ontario and the growth of Winnipeg, Calgary, Edmonton, and other towns was mentioned. In British Columbia business was stated to have been prosperous as a whole and coal mining and the smelting of metalliferous ores to be in an increasingly sound position. As indicating a certain important condition in Canadian business it may be stated that deposits in Canadian banks increased from $90,645,676 (on demand) in 1901 to $104,112,729 in 1904, and from $210,033,367 (payable after notice) in 1901 to $301,044,721. Bradstreet's annual report as to failures may also be given here:*

	No. of Failures.		Liabilities.	
	1903.	1904.	1903.	1904.
Ontario	379	377	$3,567,068	$ 2,803,828
Quebec	370	544	3,142,652	4,797,986
New Brunswick	31	40	177,250	413,143
Nova Scotia	56	68	547,223	955,145
Prince Edward Island	11	5	185,430	36,210
Manitoba	40	62	230,793	437,176
North-West Territories	10	30	44,896	212,686
British Columbia	56	49	416,550	310,625
Yukon Territory	3	2	16,500	51,500
Totals	956	1,177	$8,328,362	$10,018,299

Perhaps the most important single incident of the year in financial circles was the re-organization and revival of the Sault industries. Many efforts had been made to put the Lake Superior Consolidated Company on its feet again but it was not until May 16th that a meeting in Philadelphia announced the organization of the Lake Superior Corporation with a working capital of

* NOTE—R. G. Dun & Co. gave the failures in 1904 as 1,246, with $11,394,117 of liabilities and assets of $8,555,875.

$1,000,000 in cash, $1,500,000 in liquid assets and $1,500,000 of first mortgage bonds in the treasury. As finally constituted the Board of Directors was made up of Mr. C. D. Warren of Toronto as President; Charles E. Oris of New York and T. J. Drummond of Montreal as Vice-Presidents; and F. B. Reeves, J. Tatnall Lee and C. S. Hinchman of Philadelphia, Dumont Clark and J. T. Terry, jr., of New York, G. B. Tyrrell of Orange, N.J., F. H. Clergue of Sault Ste. Marie, E .O. Trowbridge of New Haven and N. W. Rowell, K.C., of Toronto; as Directors. On July 8th, Mr. Cornelius Shields, the General Manager before the crisis, was re-appointed to that position. Mr. Shields died on Oct. 28th following and was succeeded by Mr. W. M. Sawyer. By the Autumn the industries were pretty generally at work again, with some 2,000 men employed, and the Liberal party in the ensuing elections took much credit therefrom owing to the Government guarantee of $2,000,000 of Algoma Central Railway bonds which had contributed to the re-organization.

In other financial concerns of national importance progress was made during the year so far as conditions would permit. On Jan. 1st, Mr. Graham Fraser became Director of Works in the Dominion Iron and Steel Company at Sydney. He had, however, with Mr. J. H. Plummer, the active President of the Company, to face a serious strike in the works (June 1st to July 23rd) and to meet, what he termed in an interview, the slaughtering processes of United States steel interests. Bad mining weather also existed in the first half of the year and these combined influences no doubt caused the passing of the half-yearly dividend in June although the Director's Report was able to state that "the property is in first-class condition, its output at present is the largest in its history ,and it possesses a large and increasing earning power." In the Commons on June 30th, Sir R. Cartwright stated that this Company, since 1901, had received $1,721,556 in bonuses on production. The annual Report, submitted on Oct. 19th for the year ending Dec. 31st, 1903, showed net profits on sales of $341,890; Assets—property and construction—of $33,550,044; Liabilities of $20,000,000 common stock, $5,000,000 preferred stock, $7,956,000 of bonds, $2,422,912 of bills payable, etc. The annual Report of the Dominion Coal Company of Sydney (Mr. James Ross, of Montreal, President), for 1903 showed an output of 3,147,766 tons, and net earnings of $1,756,023. The Assets included property valued at $22,600,597 and the Liabilities $15,000,000 of common stock, $3,000,000 preference stock, $2,551,000 first mortgage bonds, and $2,380,000 due the Dominion Steel Co. In 1904 the output was 3,023,522 tons and the net earnings $1,620,475. The dividend on common stock was passed.

The Nova Scotia Steel and Coal Co. of New Glasgow, N.S., had a most prosperous record. The year 1903 showed the largest operations in the history of the concern and the annual

Report submitted on Mar. 30th, 1904, gave the cost of property owned and operated as $9,265,619, the current assets as $1,242,927, the common stock as $4,120,000 and the preferred stock $1,030,000, the bonds issued as $2,443,000, the current liabilities as $1,226,058 and the profits for the year $859,397. On construction plant and equipment $1,433,563 had been spent. Mr. J. F. Stairs of Halifax was re-elected President with Mr. Thomas Cantley as General Manager.

The annual statement of the Crow's Nest Pass Coal Company to Dec. 31st, 1904, showed net profits of $406,049, 10 per cent. dividends of $347,807 paid, a paid-up capital stock of $3,476,400 and assets composed of mines, plant, real estate, securities, and accounts receivable of $6,064,480. The reserve fund was $1,764,600, and the bills and amounts payable amounted to $533,250. The increase in coal mined during the year was 81,000 tons and in coke exported 78,000 tons. On July 1st, Mr. G. G. S. Lindsey, K.C., a Vice-President of the Company, was appointed General Manager and in December outstanding questions with the C.P.R. were settled by which 250,000 acres of land were deeded to the Company and a lease effected of the Railway branch, giving the mines connection with both the C.P.R. and the Great Northern Railway. The Granby Consolidated, Mining, Smelting and Power Company of Grand Forks, B.C., lost its President and founder Mr. S. H. C. Miner at the annual meeting on Oct. 3rd through the concern passing entirely into United States hands. The new Board was composed exclusively of Americans with Mr. Jacob Langeloth of New York as President. Its paid-up capital stock on June 30th was $13,363,030 with assets in real estate, buildings, machinery, etc., of $13,999,771, and a production during the fiscal year of $2,948,551 in gold, copper and silver and net profits of $283,513.

Banking Interests and Conditions

In January Mr. G. H. Balfour was appointed General Manager of the Union Bank of Canada in place of the late Mr. E. E. Webb and Mr. Gerald de Courcy O'Grady became General Manager of the new Crown Bank of Canada. This latter institution was organized for business on May 9th with Mr. Edward Gurney of Toronto as President, Mr. Charles Magee of Ottawa as Vice-President and Messrs. Charles Adams, R. Y. Ellis, J. L. Coffee of Toronto, Lieut.-Col. J. H. Burland of Montreal, Alexander Lumsden of Ottawa, John M. Gill of Brockville and John White of Woodstock as the other Directors. In the Commons on May 19th the Home Bank of Canada was given an extension of time for organization and Messrs. Eugene O'Keefe, John Foy, T. R. Wood, E. G. Gooderham, and Lieut.-Col. J. Mason were added to the Provisional Directorate. In the Sovereign Bank of Canada somewhat unique progress was reported at the annual meeting on June 14th when the savings bank accounts opened were stated to have increased in the year from 6,006 in number

to 15,125 and the Bank's customers from 8,006 to 20,551. On Feb. 12th, Mr. R. H. Fulton was announced as its Superintendent of Agencies and Mr. L. P. Snyder as Inspector. Later in the year Mr. W. K. McNaught of Toronto became a Director, Mr. Randolph Macdonald of Toronto succeeded Mr. H. S. Holt as President, Mr. A. A. Allan of Montreal became Vice-President and Mr. D. M. Stewart, the General Manager, was appointed a Director and 2nd Vice-President. On Dec. 25th it was announced that Mr. Thomas Fyshe, General Manager of the Merchants' Bank, was to retire from his position at the next annual meeting and there was a statement that negotiations were pending for the amalgamation of this institution with the Royal Bank of Canada. The Bank of Toronto added Mr. Robert Meighen of Montreal to its Directorate.

New branches continued to be largely established in 1904 as in the two preceding years.* The Bank of Hamilton opened at Abernethy, N.W.T., and at Alton, Fordwich, Hamilton (Deering Branch), and Moorefield in Ontario. The Metropolitan Bank opened at Streetsville, Ont.; the Molsons at Amherstburg, Ont.; the Western Bank of Canada at Caledonia, Ont.; the Ontario Bank at Holstein, Ont.; the Quebec Bank at Black Lake, Que.; the Imperial Bank of Canada at Balgonie, N.W.T.; La Banque d'Hochelaga at St. Boniface, Man., and at St. Martin's, Que. The Traders' Bank of Canada opened at Ayton, Cargill, Clifford and Elora—making a total of 49 branches, all in the Province of Ontario. The Bank of Toronto opened at Allandale, Oil Springs, Preston, Keene, Queen Street and Bolton Avenue, Toronto, and at Queen and Parliament Streets, Toronto. The Bank of Nova Scotia established new branches at Truro, Antigonish, River Hebert, and Windsor, in Nova Scotia and at Vancouver, B.C. The Canadian Bank of Commerce opened at Claresholm, Nanton, Lloydminster and Moosejaw in the Territories and in the City of Winnipeg—two branches.

The Bank of Montreal opened at Armstrong and Kelowna, B.C., Portage La Prairie, Man., Papineau Ave., Montreal and Westmont, P.Q. The Sovereign Bank of Canada opened at Arkona, Burk's Falls, Dunham, Frelighsburg, Linwood, Monkton, Mount Forest, Niagara, St. Jacob's, Stanbridge East, Thedford, Thessalon and Wyoming—all in Ontario.

The Eastern Townships Bank opened at Cookshire, Lake Megantic, Lawrenceville, Masonville, Roxton Falls and Thedford Mines in Quebec Province with sub-agencies at Stanstead, Clarenceville, Valcourt and Belœil. The Union Bank of Canada opened at North Gower, Sydenham and Metcalfe in Ontario and at Winnipeg—North End savings branch—with sub-agencies at Melbourne and Kinburn, Ont.

The following table gives the statistics of Canadian Banks for the year ending Dec. 31, 1904:

* NOTE—See *Canadian Annual Review* for 1902 and 1903.

Condensed Summary Statement of Canadian Banks, Dec. 31st, 1904.

NAME.	Total Assets.	Total Liabilities.	Paid-up Capital.	Reserve Fund.	Call and Short Loans.	Current Loans.	Notes in Circulation.	Deposits on Demand.	Deposits on Notice.	Specie and Dominion Notes held.
	$	$	$	$	$	$	$	$	$	$
Bank of Montreal	133,894,334	108,685,944	14,000,000	10,000,000	26,627,548	76,975,251	9,463,068	41,298,845	52,269,817	8,401,718
Bank of New Brunswick	5,550,892	4,250,892	500,000	800,000	636,725	3,270,206	471,047	904,063	2,611,471	371,804
Quebec Bank	13,680,512	9,952,178	2,500,000	1,000,000	2,294,982	8,127,323	1,876,989	3,664,075	3,793,194	979,078
Bank of Nova Scotia	30,523,236	25,189,756	2,000,000	3,200,000	5,704,868	13,147,804	1,917,171	11,140,148	10,614,460	3,741,144
St. Stephen's Bank	765,257	508,753	200,000	45,000	.....	513,529	130,600	178,815	178,619	39,798
Bank of British North America	37,010,999	28,728,128	4,866,666	1,946 666	6,205,323	19,725,172	2,987,115	7,623,712	10,168,478	2,485,357
Bank of Toronto	27,570,224	20,964,296	3,000,000	3,300,000	2,752,832	17,076,860	2,624,798	5,515,626	12,086,707	2,391,280
Molson's Bank	28,120,973	21,742,917	3,000,000	3,000,000	2,568,559	17,014,308	2,552,194	5,168,145	13,658,878	1,844,533
Eastern Townships Bank	16,186,427	11,995,054	2,477,935	1,500,000	541,986	11,335,019	1,950,820	2,059,353	7,950,502	969,076
Union Bank of Halifax	10,550,507	8,072,653	1,336,150	931,405	266,403	7,109,196	1,279,991	1,344,375	5,090,925	783,191
Ontario Bank	15,693,826	13,371,838	1,500,000	600,000	503,246	11,649,735	1,336,330	2,970,119	8,630,735	538,790
Banque Nationale	10,233,111	8,065,030	1,500,000	450,000	412,720	8,203,864	1,445,315	1,381,618	5,054,858	498,333
Merchants Bank of Canada	41,761,789	32,346,717	6,000,000	3,200,000	6,691,441	20,862,369	4,476,732	6,528,588	19,620,857	2,700,918
Banque Provinciale du Canada	5,452,753	4,548,915	823,309	.....	1,324,320	2,136,950	728,154	281,360	2,487,308	52,100
People's Bank of Halifax	6,434,467	4,940,112	1,000,000	440,000	263,234	4,998,042	973,151	837,173	2,623,337	331,481
People's Bank of New Brunswick	991,052	596,981	180,000	175,000	.....	774,151	139,660	192,731	255,545	55,603
Bank of Yarmouth	728,610	379,149	300,000	35,000	.....	621,301	58,694	34,579	237,811	20,347
Union Bank of Canada	22,256,537	18,471,394	2,500,900	1,000,000	746,019	16,007,991	2,307,633	4,979,772	9,984,425	2,363,867
Canadian Bank of Commerce	89,998,970	77,601,548	8,700,000	3,500,000	13,603,026	51,044,103	7,199,020	27,817,792	40,464,084	7,770,032
Royal Bank of Canada	31,243,652	24,880,909	3,000,000	3,000,000	2,649,813	15,418,165	2,534,944	10,643,997	10,758,068	3,111,168
Dominion Bank	39,225,789	32,390,367	3,000,000	3,500,000	2,874,619	23,689,045	2,690,324	8,688,636	20,884,636	3,636,279
Merchants Bank of Prince Edward Island	2,074,251	1,426,133	344,073	296,000	.....	1,694,053	291,908	380,028	732,272	110,932
Bank of Hamilton	26,630,523	22,086,437	2,235,380	2,100,085	1,880,388	16,317,451	1,931,621	4,860,651	13,781,824	1,973,922
Standard Bank of Canada	15,884,036	13,749,792	1,000,000	1,000,000	232,852	10,419,283	869,396	3,191,625	9,360,764	1,218,896
Banque de St. Jean	744,519	439,977	274,920	10,000	.....	632,291	126.488	23,581	259,586	13,364
Bank d'Hochelaga	14,948,895	11,591,300	2,000,000	1,200,000	690,092	9,399,900	1,794,135	2,807,601	6,760,130	911,243
Banque de St. Hyacinthe	1,442,912	1,014,577	329,515	75,000	.....	1,222,198	304,115	66,786	615,658	21,479
Bank of Ottawa	22,533,334	17,355,869	2,500,000	2,500,000	1,114,660	15,467,396	2,273,493	2,947,510	11,718,001	1,731,742
Imperial Bank of Canada	33,547,016	27,211,855	3,000,000	3,000,000	2,599,681	18,545,226	2,794,166	8,113,425	15,472,161	4,320,871
Western Bank of Canada	5,103,571	4,307,441	500,000	217,500	.....	3,022,119	435,935	606,564	3,196,111	59,029
Traders Bank of Canada	21,390,608	17,824,036	2,564,797	700,000	2,077,253	14,080,459	2,200,545	3,754,839	11,244,723	1,460,209
Sovereign Bank of Canada	10,876,085	9,142,697	1,300,000	350,000	1,120,298	7,464,782	1,194,805	2,119,905	4,977,134	662,031
Metropolitan Bank	5,184,451	3,081,404	1,000,000	1,000,000	936,259	2,452,770	892,777	723,524	1,085,566	404,595
Crown Bank of Canada	1,631,844	1,003,014	622,851	.....	414,272	705,942	254,260	245,166	503,433	80,302
Total	729,915,962	587,918,063	80,055,596	54,071,656	87,733,419	431,124,244	64,507,394	173,094,717	319,132,078	56,054,512

Other new branches were estabished during the year. The Merchants' Bank of Canada opened at Calgary, N.W.T., Glencoe and Lansdowne in Ontario and Griswold in Manitoba. The last two branches had previously been sub-agencies. The Bank of British North America opened at Bobcaygeon, Campbellford, Hamilton (Barton St. Branch) and London (Market Branch) in Ontario, at Calgary, N.W.T., Trail, B.C., and St. John, N.B. (Union St. Branch). The Granville Ferry, N.S., branch of the Bank of Nova Scotia and the Marieville, Que., branch of La Banque Nationale were closed during the year.

Loan Companies in Canada

The number of Loan Companies reporting to the Department of Finance for the year ending Dec. 31st, 1903, was 85. The subscribed capital of these concerns was $92,144,389, the paid-up capital $51,033,233, the reserve fund $11,910,313, the contingent fund and unappropriated profits $2,550,435, the liabilities to stockholders $66,732,392, the deposits $19,958,640, the debentures payable in Canada $19,189,312, the debentures payable in Great Britain, or elsewhere, $35,083,495, the debenture stock $3,446,584, the amount owing to banks $627,233, the miscellaneous liabilities $21,632,688, the liabilities to the public $100,567,354, and the total liabilities $167,299,746. The total loans were $134,295,247, and the total property owned $33,004,499. The great bulk of this business was controlled from, or in Ontario, as the following table compiled from official sources for the year ending Dec. 31st, 1903, will indicate:

Capital Stock Authorized (permanent)	$122,209,473
" " Subscribed (permanent)	74,957,603
" " Subscribed (terminating)	17,930,770
Liabilities to Shareholders (Reserve Fund, $11,423,487)	79,855,718
Liabilities to the Public, including—	
(*a*) Deposits	19,260,805
(*b*) Debentures payable in Canada	18,509,792
(*c*) Debentures payable elsewhere	35,602,020
Assets, including—	
(*a*) Debts secured by Mortgages of Land	106,270,026
(*b*) Debentures, Government Securities and Shareholders' Stock	4,414,709
(*c*) Other Stocks, Bonds and Securities	19,262,568
(*d*) Freehold Land	5,795,649
(*e*) Cash on hand	3,766,215
Receipts for the Year	96,332,127
Receipts in Trust	21,448,709
Expenditures on Corporation Account	96,450,184
Expenditures on Trust Account	20,142,575

Canadian Life Insurance in 1904

The following table gives the chief official details as to Life insurance during the year ending Dec. 31st, 1904:

Particulars.	Canadian Companies.	English Companies.	American Companies.	Totals.
Premiums	$11,959,100	$1,473,514	$6,536,710	$19,969,324
Number of Policies—New and taken up	81,053	1,635	95,356	178,044
Amount of Policies—New and taken up	$59,051,113	$3,109,778	$36,145,211	$98,306,102
Number of Policies in force at date	328,628	21,722	306,541	656,891
Net Amount in force	$364,640,166	$42,601,715	$180,631,886	$587,873,767
Number of Policies become Claims	3,701	537	4,298	8,536
Net Amount of Policies become Claims	$4,305,515	$1,284,581	$3,212,022	$8,802,118
Claims paid, including Matured Endowments	4,145,080	1,141,044	3,232,715	8,518,839

Of the chief Canadian companies included in the above table the Canada Life Company had policies totalling $100,526,177 in force, at date, with premiums for the year of $3,043,178, and total assets of $29,064,593; the Sun Life Assurance Company of Canada had policies in force totalling $85,311,613 with premiums for the year of $3,792,790, and total assets of $17,851,760; the Confederation Life Association had policies in force of $39,173,134 with premiums for the year of $1,262,345 and total assets of $10,352,122; the Manufacturers' Life Insurance Company had policies in force of $37,225,565 with premiums for the year of $1,421,348 and total assets of $6,112,344; the Mutual Life Assurance Company of Canada had policies in force of $40,249,804 with premiums for the year of $1,373,365 and total assets of $8,220,530; the North American Life Assurance Company had policies in force of $34,792,939 with premiums for the year of $1,237,250 and total assets of $6,231,000. All these companies did business outside of Canada.

Fraternal Life Insurance in Canada

The principal Fraternal Life insurance companies doing business in Canada during 1904 were as follows and no new ones were formed during the year: The Independent Order of Foresters, the Royal Arcanum, Canadian Order of Foresters, Royal Templars of Temperance, Canadian Order of Chosen Friends, Sons of England Benevolent Society, Ancient Order of Foresters, Ancient Order of United Workmen, Canadian Order of Oddfellows, Catholic Order of Foresters, Catholic Mutual Benevolent Association, Commercial Travellers' Mutual Benefit Society, Canadian Order of Home Circles, Knights of the Maccabees, Knights of Pythias, Oddfellows' Relief Association of Canada, Orange Mutual Benefit Society, Sons of Scotland, Woodmen of the World. Of these Societies the Royal Arcanum, Knights of the Maccabees, Knights of Pythias and the Catholic Order of Foresters were not essentially Canadian concerns as they maintained their head offices in the United States. All the others named kept their home offices in Canada and their chief interests there.

The following figures give the Membership of the latter at the end of the year:

Independent Order of Foresters	225,876
Canadian Order of Foresters	56,438
Ancient Order of United Workmen	44,140
Canadian Order of Chosen Friends	27,500
Catholic Mutual Benevolent Association	19,333
Oddfellows' Relief Association	17,307
Canadian Order of Home Circles	17,203
Woodmen of the World	9,718
Sons of Scotland	7,613
Royal Templars of Temperance	6,651
Orange Mutual Benefit Society	4,233
Sons of England Benevolent Society	3,630
Commercial Travellers' Mutual Benefit Society	1,463
Ancient Order of Foresters	1,444

During the year decreases took place in the membership of the Ancient Order of United Workmen and in that of the Knights of the Maccabees, a Society having its home office in the United States but operating in Canada. In the latter the Canadian membership decreased from 19,363 to 16,592. These decreases were stated to result from re-arrangement of the rates charged for Insurance. The chief increase in membership took place in connection with the Independent Order of Foresters, the Canadian Order of Foresters and the Canadian Order of Chosen Friends and the greatest advance in financial strength was made by the Independent Order of Foresters. During 1904 the latter Order increased its accumulated funds by $1,080,868.89. Many of the other Societies also increased their funds by a considerable amount and the following figures give their total assets as reported at the end of 1904:

Independent Order of Foresters	$8,265,201
Canadian Order of Foresters	1,793,026
Ancient Order of United Workmen	539,742
Canadian Order of Chosen Friends	506,304
Canadian Order of Home Circles	278,230
Oddfellows' Relief Association	339,326
Catholic Mutual Benevolent Association	229,390
Sons of Scotland	195,797
Royal Templars of Temperance	125,810
Woodmen of the World	119,792
Canadian Order of Oddfellows	72,203
Ancient Order of Foresters	64,853
Sons of England Benevolent Society	47,288
Orange Mutual Benefit Society	8,399

It is interesting in this connection to note the special growth of the Independent Order of Foresters. Like the Confederation Life Association, and the Canada Life Company in what is termed "straight life" business its progress had been remarkable though illustrative of the popularity of a very different school of insurance thought and policy. In 1881 this Society had been re-organized by Dr. Oronhyatekha, the present Supreme Chief Ranger and its increase of accumulated funds since then may be traced in the following official table:

Accumulated Funds—Twelve Months' Increase.

1883	$ 7,889 72	1898	$ 627,537 58
1886	24,178 86	1899	592,133 22
1889	70,308 40	1900	699,288 64
1892	171,799 65	1901	747,062 36
1894	328,367 22	1902	994,216 59
1895	445,110 92	1903	1,234,236 97
1897	543,348 40	1904	1,080,868 89

Some of the other Fraternal Societies increased proportionally. Their work, as a whole, during the year is indicated by the fact that they paid in death claims to Canadian beneficiaries nearly three and a half million dollars. Of this sum the Independent Order of Foresters paid to beneficiaries of its Canadian Policy Holders, $768,674; the Canadian Order of Foresters, $343,767; the Ancient Order of United Workmen $868,079; the Ancient Order of Foresters, $700,755; the Canadian Order of Chosen Friends $332,413; the Catholic Mutual Benevolent Association $284,500; the Oddfellows' Relief Association $170,597; the Canadian Order of Home Circles $136,483; the Royal Templars of Templars $106,083; the Woodmen of the World $69,305; the Sons of England $44,000; the Sons of Scotland $38,661; the Orange Mutual Benefit Society $35,000; the Canadian Order of Oddfellows $18,750.

It may be added that the Independent Order of Foresters, including its business outside of Canada, paid from its treasury during the year the sum of $1,848,484 to widows and orphans and in Sick and Funeral Benefits $213,083.01, as well as a further sum to totally disabled members making up a total of $1,931,905.76. The death rates experienced by some of these Societies during the year were as follows:

Ancient Order of United Workmen	10·60 per 1,000
Canadian Order of Home Circles	10·01 per 1,000
Canadian Order of Chosen Friends	8·37 per 1,000
Independent Order of Foresters	7·77 per 1,000
Canadian Order of Foresters	6·22 per 1,000
Sons of Scotland	6·18 per 1,000

The average age of the Membership in a number of the Societies was low. In the Ancient Order of United Workmen it was 44·25 years; in the Canadian Order of Chosen Friends 39·78 years; in the Royal Templars of Temperance 43 years; in the Independent Order of Foresters 37·15 years; in the Woodmen of the World 38 years. It may be noted also that in some of these Societies the average age was less than some years before, indicating, apparently, the addition of large numbers of young members.

Canadian Fire Insurance in 1904

The year was an unprofitable one for Fire Insurance companies and a more or less disastrous one to various towns through fires and conflagrations. Dawson City suffered on June 21st and again on Sept. 23rd when its largest fire since 1899 took place. Fernie, B.C., had its business section wiped out on

Apr. 29th with an estimated loss of $750,000 and with insurance of about $250,000. Fire swept the waterfront of Halifax twice during the year with a total loss of $364,000. In Winnipeg extensive business blocks were burned on Oct. 11th with gross insurance of $274,000. Sydney, C.B., just escaped serious results from forest fires in the vicinity and British Columbia passed through a crisis in the Summer from the extreme dryness and miles on miles of blazing forests were to be seen on both the Island and the Mainland. It may be added that Canadian Companies lost $578,000 in the great Baltimore fire. But all these losses were trifling compared with that of the Toronto conflagration on Apr. 19th when 14 acres of business and wholesale houses were burned over, 86 warehouses and factories destroyed, an estimated loss of $13,000,000 involved and 54 Insurance companies concerned with a gross loss placed by official figures at $10,694,000 of which $5,607,400 was carried by companies doing business in Canada. Less re-insurance the total loss was finally stated as $7,250,322.

Rates were at once advanced 75 per cent. amidst many protests from merchants and manufacturers. A prolonged effort followed by the Canadian Manufacturers' Association to constitute an Insurance Department which would enable its members to carry their own insurance in some form of combination. Against this Mr. J. Kerr Osborne protested in a letter to the Secretary which included the advice to "co-operate with the underwriters, help to place the fire insurance companies again on a sound and proper basis, become co-insurers by adopting all the improved safeguards that tend to the improvement of our own risks, and thus help to build up instead of destroy the underwriters' business, which, from time immemorial, has been one of the greatest safeguards of commerce and of credit." There was considerable controversy over the matter and over the alleged lack of Civic requirements to meet a conflagration. On Oct. 6th an elaborate report was issued by Mr. Robert Howe, for the Canadian Fire Underwriters' Association, recommending various costly improvements in the fire service of the city. A notable address in this connection was delivered by Mr. B. E. Walker to the Toronto Insurance Institute on Oct. 11th in which he stated Fire insurance to be more essential to industrial development than any other and described the insurance men as not knowing enough of their own business.

Increased rates, and agitations against such action, followed all over the country. In Halifax the matter was discussed by the Board of Trade on Apr. 28th and in Vancouver on June 7th where the Mutual idea was freely broached. On Aug. 11th a 50 cents increase was announced for the congested regions of Montreal and was vigorously denounced in Civic circles while the insurance men declared it to be absolutely necessary in view of inefficient fire appliances. After considerable discussion a

new and modified system of specific rating went into operation on Oct. 1st. Meanwhile, on Aug. 29th, the local Chairman of the Canadian Manufacturers' Association denounced the Canadian companies and expressed a preference for American methods. The question of municipal insurance was debated here as elsewhere and ex-Mayor R. Wilson-Smith in the *Herald* of Sept. 14th strongly opposed such a policy on the ground that fire insurance was largely a matter of averages spread over a wide territory. Otherwise local loss and the ruin of local companies were certain. He quoted Government figures to show that between 1869 and 1903, in Canada, for every dollar of premium received the Companies had paid out 96 cents in losses and expenses. On the other hand the Ontario Municipal Association, at Toronto, on Sept. 7th approved the establishment of a municipal insurance corporation. The following table gives the figures as to Fire insurance in Canada on Dec. 31st, 1904:

Particulars.	Canadian Companies.	British Companies.	American Companies.	Totals.
Net cash received for premiums	$ 2,688,703	$ 8,341,175	$ 2,144,941	$ 13,174,819
Re-insurance return premiums	1,243,561	1,366,443	351,801	2,961,805
Gross cash received for premiums	3,932,264	9,707,618	2,496,742	16,136,624
Gross amount of policies new and renewed	253,074,666	609,942,293	153,128,785	1,016,145,744
Net amount at risk	300,865,599	745,022,261	172,965,394	1,218,853,254
Net amount of year's losses	2,619,633	9,204,133	2,372,118	14,195,884
Net amount paid for losses	2,581,205	9,164,855	2,365,140	14,111,200

INSURANCE AND FINANCIAL INCIDENTS

I. INSURANCE—

Jan. 11.—Mr. E. P. Heaton retires from the position of President of the Quebec Assurance Association and four days later from that of General Manager of the Guardian Life Assurance Company at Montreal. In the latter post he is succeeded by Mr. H. M. Lambert.

Jan. 21.—Mr. C. R. G. Johnson, of Evans and Johnson, Montreal, addresses the local Insurance Institute upon the Fire insurance problems of Canada including (1) Climate, (2) Competition, (3) Electricity, (4) Government supervision, legislation and taxation, (5) Conflagration hazard. He declares that the illegal competition of United States Companies not licensed or paying taxes in Canada should be stopped.

Mar. 28.—A system comes into operation in the Dominion P. O. Department of insuring valuable letters. Under these regulations letters, only, are accepted for insurance, and the person insuring must pay (1) the regular postage rate for letters, (2) the 5 cent charge for registration, (3) a fee varying from 3 to 6 cents, according to the limit of compensation—3 cents for $10 ; 4 cents for $15 ; 5 cents for $20 ; limit, 6 cents for $25.

May 5.—As a result of heavy losses in the Baltimore and Toronto fires the Directors of the British America and Western Assurance Companies decide to write off sufficient stock in each concern to cover the impairment of capital and leave a substantial surplus. It is also decided to issue new capital to a similar amount—$1,000,000 in the case of the Western and $500,000 in the case of the British America.

May 16.—It is announced in Toronto that the Manchester Fire Assurance Co. of Manchester, England, is retiring from local business and transferring its assets and business to the Atlas Assurance Co. of England.

May 19.—The officials of the Mutual Reserve Life Insurance Co. of New York issue a reply to the charges made by Senator Domville in the Canadian Senate and state that (1) those concerned do not reside in Canada and are not amenable to its laws and (2) "the charges are one and all false and without proof or testimony."

May 31.—Official figures of the Canadian Companies doing the business of Accident, Guarantee, Plate Glass, Burglary Guarantee or Steam Boiler Insurance during 1904 give total liabilities of $630,151, exclusive of $729,022 of Capital stock, and total assets of $1,593,852. Their income amounts to $1,050,508, of which $971,582 is net cash for premiums and their expenditure is $935,347 of which $379,763 goes for losses and $55.561 for dividends.

June 28.—The organizing staff of the Independent Order of Foresters present the Hon. Dr. W. H. Montague with a valuable diamond ring and an Address expressive of their esteem and appreciation of his work for the I.O.F.

Aug. 16.—The officers and members of the Canada Life Company's Toronto staff present Mr. E. W. Cox, General Manager, upon his return from England, with a testimonial composed of new applications for insurance collected by themselves and amounting to $141,000.

Aug. 17.—Mr. E. W. Cox of the Canada Life describes, in the *Star*, his recent business trip to England as having been most successful. In the United Kingdom they already had 25 offices of which 5 were in London and, he believed, the older Insurance Companies of Canada could do a good business there.

Aug. 19.—The *Shareholder* of Montreal congratulates Canadian Companies upon the recent action of the Imperial authorities in amending the British Finance Act so that Canadian insurance concerns come under the British exemption from the income tax and, at the same time, receive a substantial preference over their American rivals.

Sept. 2.—The following important figures as to fire brigades in certain Canadian and United States cities is officially collected and published by the Insurance and Finance Chronicle of Montreal :

Cities.	Population.	Number of Men in the Fire Brigade	Number of Horses.	Number of Steam Fire Engines.	Length of Hose in use.	Number of Hose Reels and Waggons.	Number of Men in Salvage Corps.	Annual Cost of Brigade.
Montreal	300,000	250	130	12	40,000	28	15	$ 240,000
Boston	660,000	892	384	43	93,900	44	60	1,309,558
Buffalo	400,000	576	250	28	88,000	29	none	711,560
Cincinnati	330,000	348	175	32	66,000	41	13	488,364
Cleveland	460,000	431	167	29	48,000	31	....	698,000
Detroit	360,000	527	223	25	....	29	none	678,121
Milwaukee	333,500	410	205	24	76,000	26	21	500,000
Minneapolis	202,000	315	180	20	45,000	24	20	370,000
Newark, N.J.	300,000	265	114	21	40,600	19	15	379,617
Toronto	240,000	204	68	5	25,600	16	2	220,000
Washington	385,000	328	165	18	53,000	21	none	480,780
Rochester	175,000	216	94	12	30,650	13	30	265,500

Montreal is stated to also possess 2 water towers, 2 chemical engines, 5 ladders and 11 trucks ; Boston 1 fire-boat, 3 water towers, 10 chemical engines, 18 ladders and 9 trucks ; Buffalo 3 fire-boats and 9 ladders ; Cincinnati 14 trucks and Cleveland 9 ladders ; Detroit 2 fire-boats, I water tower and 10 ladders; Milwaukee 3 fire-boats, 1 water tower, 5 chemical engines and 12 trucks ; Minneapolis 6 trucks, Newark 6 trucks, Toronto and Rochester 7 each ; and Washington 4 chemical engines.

Sept. 15.—The leaders in the financial world of Montreal meet at a banquet presided over by Mr. A. T. Paterson to celebrate the hundredth anniversary of the Phœnix Assurance Corporation in Canada. Amongst the speakers are Mr. E. S. Clouston, the Hon. J. P. B. Casgrain, Hon. Mr. Fitzpatrick, Mayor Laporte, Hon. Mr. Tarte, Mr. J. J. Kenny of Toronto and Mr. H. B. Guernsey of the Phœnix.

Sept. 15—Mr. William Mackay of Montreal is announced as the Manager in Canada of the Royal Insurance Company.

Oct. 7.—The *Globe* points out that Toronto is now spending $1,150,000 in improvements and additions to the waterworks and is considering further expenditures of $850,000 for still greater protection against fires.

Oct. 25.—Mr. Frank Sanderson, M.A., President of the Toronto Insurance Institute, delivers an elaborate inaugural address reviewing the Insurance conditions and outlook.

Dec. 31.—An important element in the progress of fraternal insurance is illustrated in the reception and banquet given at Quebec to Dr. Oronhyatekha, the well-known head of the Independent Order of Foresters. A similar demonstration is accorded him at Hamilton on June 17th ; at Deseronto on Aug. 27th when he officiates at the dedication of the Foresters' Orphan Home which he had founded and organized ; and at Hamilton again on Nov. 25th.

II. FINANCIAL—

Feb. 10.—Mr. T. P. Hughes, Private banker at Tottenham, Ont., assigns for the benefit of his creditors.

Feb. 25.—At the annual meeting in Montreal of the Dominion Wholesale Grocers' Guild, Mayor Laporte is elected President and the Hon. R. Turner a Vice-President to represent Quebec ; Col. J. I. Davidson for Ontario ; C. F. Peters for New Brunswick ; H. G. Bauld for Nova Scotia ; W. H. Aitkin for Prince Edward Island ; K. Mackenzie for Manitoba ; and I. H. Dodd for British Columbia.

Apr. 15.—The Consolidation of Canadian oil interests in the Canadian Oil Co., Limited, is announced with two concerns in Toronto, one in Hamilton, one in Montreal, one in Winnipeg and two in Petrolea as part of the combination. Mr. T. H. Hamilton is the General Manager with headquarters in Toronto.

Apr. 21.—Mr. R. F. Denison, Private banker of Niagara-on-the-Lake, suspends payment with stated liabilities of $10,000 and assets of over $7,000.

Apr. 30.—The much-discussed Montreal Light, Heat & Power Company, composed of a combination of the Montreal Gas. Co., the Montreal and St. Lawrence Power Co., the Royal Electric Co., the Imperial Electric Co., the Lachine Rapids Hydraulic and Land Co., and the Standard Light and Power Co., has at this date Assets of $26,810,409 including stocks, bonds and interest in other Companies of $23,028,715 and a new construction account of $2,137,871. Its Liabilities include $17,000,000 of capital stock, bonds of $7,733,000 (less "In Escrow" and "In Treasury") bank loans of $1,107,560, accounts payable of $216,666 and a surplus of $385,100. The net revenue of the year ending at this date is $1,345,759 as compared with $900,873 in 1903 and $821,217 in 1902.

June 17.—A meeting is held in Toronto attended by prominent financial men and bankers with a view to establishing "The Penny Bank of Toronto" recently chartered by Parliament. The object is to encourage thrift amongst school children.

July 28.—In connection with an Act eventually passed by Parliament and enabling the Bank of Nova Scotia to issue bills for one pound

sterling for use in Trinidad, Mr. Fielding explains in the Commons that it gives this right to all Canadian banks equally and applies to any British Colony in which such a bank wishes to do business.

Aug. 27.—In the Victoria *Colonist* Mr. D. R. Wilkie of Toronto is interviewed and urges the advantages of having a Canadian Mint. Apart from the benefit of coining our own gold and silver would be the ultimate elimination of United States silver from circulation and its replacement by Canadian money with, he hoped, the King's head on it.

Sept. 10.—Mr. Byron E. Walker points out in the Toronto *News* that proof of the comparative failure of a system of Government inspection of banks is seen in the United States, where it has not prevented thousands of bank failures since the War and many financial disasters.

Oct. 28.—It is found that the estate of Mr. U. E. Thompson, Private banker of Belleville (who had 195 depositors and $75,000 on deposit) will only yield a small dividend to depositors and other creditors.

Nov. 7.—Mr. D. M. Stewart of the Sovereign Bank of Canada addresses the Canadian Club, Toronto, on Canadian banking.

Nov. 9.—It is announced that the Standard Loan Company of Toronto has absorbed the Huron and Bruce Loan and Investment Co. with headquarters at Goderich, capital subscribed of $206,400 and assets of $250,000.

Nov. 9.—Mr. D. R. Wilkie, General Manager and Vice-President of the Imperial Bank of Canada is elected a Director of the Confederation Life Association.

Nov. 10.—The Canadian Bankers' Association meets in Toronto with Mr. E. S. Clouston in the chair. A Committee is appointed to consider the organization of a Bankers' Institute for Canada and officers are elected as follows : President, E. S. Clouston, of Montreal ; Vice-Presidents, Duncan Coulson, Toronto ; George Burn, Ottawa ; H. Stikeman, Montreal ; M. J. A. Prendergast, Montreal. Council—B. E. Walker, Toronto ; Thomas Fyshe, Montreal ; D. R. Wilkie, Toronto ; Thomas McDougall, Quebec ; James McKinnon, Sherbrooke ; W. E. Stavert, St. John, N.B.; G. H. Balfour, Quebec ; P. A. Lafrance, Quebec ; G. P. Reid, Toronto ; T. G. Brough, Toronto ; E. L. Pease, Halifax ; D. R. Clarke, Halifax ; H. S. Strathy, Toronto.

Nov. 16.—The adjourned annual meeting of the Lake of the Woods Milling Co. is held in Montreal and a re-organization effected by which the David Russell interests disappear considerably from control. Mr. Robert Meighen is elected President, Mr. Thomas Fyshe Vice-President, and Mr. G. V. Hastings General Manager. The Board of Directors also includes Robert Reford, David Russell and Senator Mackay of Montreal, Albert Maclaren, Ottawa, C. A. Birge, Hamilton, W. H. Murray and Robert Thomson of St. John.

Nov. 24.—Twenty wholesale grocers in Nova Scotia form a combine to sell only at one per cent. discount for cash in ten days or net in thirty days. Interest at 6 per cent. per annum after thirty days.

Dec. 9.—The Canadian Bank of Commerce decide to issue $1,300,000 of stock being the balance of the authorized capital stock of $10,000,000.

Dec. 15.—The once much-discussed Canada Cycle and Motor Co. holds its annual meeting in Toronto and listens to fairly prosperous reports. It is decided to establish a branch of the business in New Zealand.

Dec. 22.—Mr. D. M. Stewart of the Sovereign Bank of Canada corrects in the New York *Sun* a recently published statement of the United States Bureau of Statistics that the total Savings

deposits in Canada are $60,771,120. He explains that the savings of the Canadian people are not limited to Governmental institutions and points out that they had on Oct. 31st $315,323,000 in the chartered banks (Savings departments) which, combined with those in the Government savings banks, made a total of $400,786,000.

Canadian Boards of Trade in 1904.

Annual Meeting.	Place.	President Elected.
Jan.	18.—Calgary	W. H. Cushing.
Jan.	19.—Ottawa	John H. Reid.
Jan.	20.—Kentville	W. E. Porter.
Jan.	20.—Brandon	John Inglis.
Jan.	27.—Montreal	George E. Drummond.
Jan.	28.—Halifax	J. E. de Wolf.
Feb.	2.—Winnipeg	H. W. Hutchinson.
Feb.	2.—Portage la Prairie	A. H. Dickens.
Feb.	5.—Fort William	E. S. Rutledge.
Feb.	6.—Strathroy	S. M. Smythe.
Feb.	23.—Brantford	W. F. Cockshutt.
Feb.	26.—Edmonton	J. H. Morris.
Mar.	1.—Vancouver	H. McDowell.
Mar.	1.—Peterborough	D. Hughes-Charles.
Mar.	2.—St. Catharines	Robert McLaren.
Mar.	8.—Toronto	John F. Ellis.
Mar.	31.—St. Thomas	J. W. Stewart.
Apr.	13.—Port Arthur	W. H. Nelson.
Apr.	29.—Stratford	George H. Douglas.
Apr.	29.—Guelph	George H. Douglas
May	6.—London	J. R. Minhinnick.
July	4.—Hamilton	H. N. Kitson.
July	8.—Victoria	S. J. Pitts.
July	12.—Quebec	William Price.
Dec.	6.—St. John	H. B. Schofield.

General Trade Conditions of the Year

The fiscal year was not as successful in this branch of business as the preceding year had been —the most prosperous in Canadian history—but it was none-the-less a good one. While the volume of export trade was smaller, values were better and the net returns were perhaps as great. The total imports for consumption in the year ending June 30th were $251,464,332 as compared with $233,790,516 in 1903—a continuation of the steady yearly increase since 1896, with one exception, of about twenty millions a year. The duties collected were $40,954,349 as against $37,110,354 in 1903 and $20,219,037 in 1896. The total exports —including coin and bullion and foreign produce of $17,572,353 —were $213,521,235 in 1904 as compared with $225,849,724 in 1903 and $121,013,852 in 1896. The total trade of 1904 was therefore $472,733,038 as against $467,064,685 in 1903 and $239,025,360 in 1896. The following tables indicate the more detailed trend of Canadian trade in the year ending June 30th, 1904:

I.—*Trade of Canada by Countries.**

Country.	Import from	Export to	Total.
Great Britain	$61,960,909	$117,591,376	$179,552,285
British Africa	69,141	2,380,456	2,449,597
Australia	102,169	2,622,756	2,724,925
New Zealand	19,254	592,827	612,081
British Guiana	2,191,064	482,750	2,673,814
British West Indies	4,815,828	2,179,774	6,995,602
Newfoundland	1,076,757	2,898,751	3,975,508
British East Indies	3,309,576	18,828	3,328,404
Miscellaneous (Empire)	130,713	184,091	314,804
Total British Empire	$73,675,411	$128,951,609	$202,627,020
Argentina	498,915	1,119,317	1,618,232
Belgium	3,392,384	1,126,417	4,518,801
France	6,289,362	1,597,928	7,887,290
Germany	8,028,544	1,819,223	9,847,767
Holland	975,442	1,035,327	2,010,769
Japan	1,998,801	342,116	2,340,917
Switzerland	1,390,367	3,895	1,394,262
United States	156,997,180	73,173,549	230,170,729
Cuba	367,808	821,982	1,189,790
Other Countries (under $1,000,000)	5,597,589	3,529,872	9,127,461
Total	$259,211,803	$213,521,235	$472,733,038

II.—*Exports of Canada by Classes.*

	Year ending June 30, 1903	Year ending June 30, 1904
The Mine	$31,235,168	$33,828,862
The Fisheries	11,826,646	10,773,197
The Forest	36,431,114	33,368,781
Animals and their produce	70,466,619	64,360,440
Agricultural†	51,572,889	45,621,985
Manufactures†	22,880,176	22,439,919
Miscellaneous	817,152	662,494

III.—*Imports Entered for Consumption.*

Province.	Under General Tariff.	Under Preferential Tariff.	Under Surtax Tariff.	Free of Duty.
Ontario	$47,216,910	$14,738,212	$2,013,837	$43,333,116
Quebec	26,613,424	20,431,875	2,494,963	39,843,668
Nova Scotia	3,615,011	3,923,961	89,530	5,492,205
New Brunswick	2,714,058	1,274,139	141,805	4,680,679
Manitoba	7,887,477	2,128,137	116,615	4,134,268
British Columbia	6,847,867	2,016,561	105,939	2,726,834
Prince Edward Island	250,329	143,388	5,436	265,556
North-West Territories	2,430,702	101,022	4,706	2,364,019
Yukon	1,584,740	7,958	3,779	263,005
Total	$99,160,518	$44,765,253	$4,976,610	$103,103,350

During the year there were some 15 Canadian Commercial Agents at work in Australia, Great Britain, France, Japan, Mexico, Norway and Sweden, South Africa and the West Indies busily engaged, under the auspices of the Department of Trade and Commerce, in facilitating business and extending trade. Mr. J. S. Larke at Sydney, Australia; Mr. D. H. Ross at Melbourne, Australia; Mr. P. B. MacNamara at Manchester, England; Mr. G. Eustace Burke in Jamaica; Mr. Alex. McLean at Yokohama, Japan; Mr. J. B. Jackson at Hull, England; Mr. P. B. Ball at Birmingham, England; were full and frequent in their reports of conditions, changes and requirements in either demand or supply. The points brought

* NOTE—These and succeeding figures are compiled from the official statistics of the Department of Trade and Commerce.

† NOTE—The only totals affected seriously by the foreign produce exported were Agricultural products—1903, $6,948,568, and 1904, $8,483,110; and Manufactures, $2,255,209 in 1903 and $2,575,870 in 1904.

out in these documents included the demand for canned fruits in cities like Manchester; the great possibilities for the British Columbia lumber trade in Japan and for all the high-class butter which Canada could supply; the demand in Australia for carbide of calcium and in Belgium for "American" boots and shoes; the great opportunities opening out in South Africa for supplies in connection with municipal water-works, lighting and heating, sewerage and railway improvements; French requirements in lumber and wood-pulp; the demand for flour in the West Indies; the great British market for pure malting barley; the British demand for house furniture and the splendid Canadian opening therein; the British demand for cider and Canadian possibilities in this respect; the popularity in England of Canadian eggs and the enormous additional quantities which could be sold; the large prices in South Africa for furniture and the Canadian opening therein; the demand for butter in the West Indies and for apples in Australia. The following list of requirements in the respective British and Canadian markets was compiled by Mr. Harrison Watson (Mar. 1st, 1904), Curator of the Canadian section of the Imperial Institute:

UNITED KINGDOM GOODS FOR WHICH A MARKET IN CANADA IS SOUGHT.		CANADIAN GOODS REQUIRED BY UNITED KINGDOM HOUSES.	
Linen.	Machinery.	Butter.	Doors.
Woollen goods.	Engineering tools.	Cheese.	Mouldings.
Worsteds.	Edge tools.	Bacon.	Shelving.
Serges.	Railway supplies.	Hams.	Skirtings.
Hosiery.	Engines.	Eggs.	Box shooks.
Yarns.	Weighing machinery.	Apples.	Barrel shooks.
Hair cloth.	Shovels.	Canned apples.	Spool wood.
Jute goods.	Contractors' tools.	Canned salmon.	Dowels.
Boots and shoes.	Electrical batteries.	Canned lobster.	Chair parts.
Leather trunks.	Electrical specialties.	Flour.	Closet seats.
Leather bags.	Ventilating apparatus.	Lunch tongues.	Skewers.
Wines.	Fish hooks.	Evaporated apples.	Broom handles.
Essences.	Pins.	Peas.	Shovel handles.
Cordials.	Time registers.	Seeds.	Tool handles.
Sauces.	Fire bricks.	Wool.	Dining-room tables.
Teas.	Bottles.	Hog bristles.	Furniture.
Coffees.	Wire rope.	Horse-hair.	Laundry machinery.
Blacking.	Builders' supplies.	Tallow.	Lawn mowers.
Grocers' sundries.	Paints and colors.	Hides.	Carbide of calcium.
Sausage casings.	Oils.	Wood pulp.	Barytes.
Biscuits.	Wall papers.	Sulphite pulp.	Mica.
Cakes.	Sporting goods.	Grey boards.	Asbestos.
		Paper.	Manganese.

Canadian Industrial Conditions and Progress

The general condition of Canadian industries from year to year is more or less involved and mixed up with tariff discussions and changes; with business affairs and the position of such great interests as those of Sydney, or the Sault, or New Glasgow, which have been already dealt with. Unlike trade and commerce, also, it is difficult to give a detailed record of progress in this respect because of the absence of statistics as to annual production, etc. The appearance of the Census returns for 1901, however, enables a certain picture of approximate conditions to be given. According to these statistics there had been during the preceding ten years a decrease in the number of in-

dustrial establishments in Canada of 11·10 per cent.; an increase in the capital invested of 48·83 per cent.; and an increase in the value of the articles produced of 26·09 per cent. The Dominion Statistician (Mr. George Johnson) summarized the figures as showing (1) consolidation of establishments, (2) great increase in capital invested, (3) a decrease in the value of the output from $1.21 per dollar of capital in 1891 to $1.03 in 1901, (4) a decrease in the average wages paid from $292.44 to $287.40 per annum, (5) increase in the value of product of each employee from an average of $1,334.41 in 1891 to $1,476 in 1901. The following tables and a record of miscellaneous incidents of 1904 may be given in this connection:

I.—*Canadian Industrial Establishments in 1901.*

	Number of Establishments.	Capital.	Number of Employees.	Annual Wages Paid.	Value of Raw Material.	Value of Articles Produced.
		$		$	$	$
Under $2,000	50,777	25,546,608	74,376	11,038,084	11,070,938	32,195,192
$2,000 to $12,000	19,629	60,178,387	92,343	22,963.579	43,572,071	93,260,957
$12,001 to $25,000	2,679	31,596,006	36,118	10,852,514	23,925,078	47,709,005
$25,001 to $49,999	1,208	30,152,282	28,339	8,966,833	22,090,463	42,238,542
$50,000 and over	1,675	207,147,467	139,080	46,842,640	155,460,492	260,795,190
Total	75,968	354,620,750	370,256	100,663,650	256,119,042	476,198,886

II.—*Establishments Employing Five Hands and Over.*

	Establishments.	Capital.	Employees.	Wages.	Value of Products in Census Year.
		$		$	$
1901	11,126	441,053,060	306,694	88,143,472	452,775,577
1891	12,404	296,350,316	269,093	78,492,345	359,082,636
Increase or decrease	− 1,278	+ 144,702,744	+ 37,601	+ 9,651,127	+ 93,692,941
" " per cent.	− 11·10	+ 48·83	+ 13·97	+ 12·30	+ 26·09

Jan. 7.—Messrs. A. E. Ames & Co. of Toronto issue a circular stating their inability to meet the remaining instalments on their promised payments. Liabilities are now placed at $2,307,895 of which $1,784,903 is secured. Eventually the creditors accept the offer of stock in a new concern giving time for recuperation and full payment.

Jan. 9.—The Londonderry (N.S.) Iron and Mining Company, Ltd. start operations. The Directors include T. J. Drummond of Montreal (President) and Edgar McDougall, Charles Brega of Chicago, Charles Fergie M.E., and George E. Drummond of Montreal.

Feb. 18.—A United States syndicate represented by Mr. E. W. Backus of Minneapolis completes arrangements with the Ontario Government for valuable water powers on the Rainy River at Fort Frances.

Mar. 31.—Mr. J. F. M. Stewart, Assistant Secretary of the Manufacturers' Association, gives some useful figures *re* industrial production to the Empire Club. He places the annual cheese production of Ontario and Quebec at $13,000,000 cash; states that there are 2,500 flour mills in the Dominion with an aggregate estimated output of $70,000,000; gives the number of woollen

mills in operation as 300 with an invested capital of $15,000,000 and the employment of some 10,000 men ; puts the product of refined sugar factories at $13,000,000 ; and describes the cotton industry as employing 13,500 hands with an invested capital of $24,000,000 in 26 mills.

Apr. 4.—Organization is announced in Montreal of the Imperial Coal and Coke Company, Ltd. with a capital of $4,500,000 and the stated ownership of 60,160 acres of bituminous coal lands on the Fording River, East Kootenay, B.C. Mr. W. Herbert Evans is President and Mr. J. W. Pyke Vice-President.

Apr. 12.—Organization is completed at Sydney of the Cape Breton Iron and Steel Company, for the purpose of manufacturing iron and steel products, with a capital of $250,000 and with Mr. K. J. Morrison as President and General Manager, Mr. P. R. Bentley as Vice-President and Messrs. R. M. Langille, J. W. Madden, H. C. V. Levalte and R. Harrington as Directors.

Apr. 28.—The annual meeting of the Dominion Cotton Company at Montreal shows net profits for the year of $297,546. In response to Senator McMillan's complaint against the competition under the Preferential tariff the retort is made that the business of the concern is larger than ever before and that more money has been made than in any year since 1896.

May 7.—To the proceedings of the Canadian Electrical Association, Mr. George Johnson, Dominion Statistician, contributes a valuable analysis of Canadian progress in electrical applications. He gives the number of electric light, heat and power establishments in Canada in 1891 and in 1903 as follows :

Provinces.	1891.	1903.
British Columbia	2	17
Manitoba	2	7
New Brunswick	7	13
Nova Scotia	7	22
Ontario	48	199
Prince Edward Island	2	3
Quebec	9	49
Territories	2	6
	79	316

May 25.—It is stated that the Canadian Oil Company, with a capital of $1,500,000, has purchased the Gull-Schrieber Company and that this gives final control of all Canadian companies independent of the Standard Oil Company.

June 13.—Under this date Mr. R. H. Ross, Canadian Commercial Agent at Melbourne, writes the Department of Trade and Commerce, Ottawa, urging what he terms "the splendid opening for an extension of the Canadian banking system to Australia which would be appreciated by all Canadian houses doing business in this country as well as to exporters to Australia."

June 16.—Mr. S. Greenwood is appointed General Manager of the Canadian Coloured Cotton Mills Company.

July 4.—At the annual meeting of the Hudson's Bay Company in London, Lord Strathcona, as Chairman, states the profits of the year at £177,981, recommends a reduction in capital of £100,000, states a dividend of 35 shillings per share, and gives the total returns from sale of furs at £300,798—a reduction over the preceding year.

Aug. 18.—The Maritime Board of Trade meeting at Moncton, N.B., passes, unanimously, the following Resolution :

"Whereas, shipping interests in this Province are decreasing and as the decrease is due to a treaty or treaties existing between the Imperial Government and several European

nations, said treaties allowing shipping of such European nations to become common carriers in Canadian coasting trade much to the injury of our mercantile marine, be it therefore resolved, that this Maritime Board of Trade respectfully ask the Canadian Government at Ottawa to use its good influences with the Imperial Government of Great Britain to have such a treaty or treaties annulled, as far as the Canadian coasting trade is concerned."

Sept. 16.—The United States Consul at Vancouver, writing as to the opening of the new A. J. Burton Saw Works there, states that there are some 200 saw-mills in British Columbia, most of them shingle mills.

Sept. 6.—According to a Report of the United States Consul-General at Halifax, Canadian dealers in iron and steel claim that recent fiscal changes mean an advantage to them of $16 a ton over those of the United States as follows : Duty, $7 a ton ; bounty in Ontario on pig-iron from Canadian ore, $1 a ton; Federal bounty, $2.25 ; Federal bounty on steel ingots, $2.25 ; special duty under "dumping" clause, $3.50 ; total, $16.

Sept. 23.—The assets of the Canada Woollen Mills, including plants at Carleton Place, Hespeler and Waterloo, the site at Lambton Mills and the stock of manufactured goods and raw materials, are sold for $253,000.

Sept. 26.—Mr. F. H. Clergue of the Consolidated Company advises the Department of Trade and Commerce that the Sault Mills are now turning out 400 tons of steel daily.

Oct. 28.—Particulars regarding the newly-formed Canada Car Company, in Montreal, show a capital of $3,000,000 with the object of turning out wooden and steel and composite cars, steel underframes and steel-truck frames. It is understood that large orders are promised by the Grand Trunk Pacific Company. Mr. W. M. Coleman later on becomes President and General Manager and Sir H. Montagu Allan Vice-President.

Oct. 31.—It is stated that a contract has been closed between the Grand Trunk Pacific Co. and the Canadian Westinghouse Air-Brake Co. of Hamilton for the latter to supply the air-brakes for use of the new Trans-Continental line.

Nov. 1.—The Department of the Interior at Ottawa issues a very important Report prepared by Dr. Haanel as a result of his prolonged and careful investigation of the different electro-thermic processes for the smelting of iron-ores and the making of steel, in operation in Europe.

Dec. 21.—It is stated that four of the leading Cotton maunfacturing concerns of Canada, representing a capital of some $10,000,000 and employing nearly 6,000 hands, have formed a trust to centralize their interests at Montreal. The trust so organized is composed of companies having a total capitalization of $5,833,600 in stock and $4,164,000 in bonds, each Company representing the following amounts: Dominion Cotton Company $3,033,600 stock and $3,354,000 bonds; Merchants Cotton Company, $1,500,000 stock, $160,000 bonds; Montmorency Cotton Company $1,000,000 stock, $550,000 bonds; and Colonial Cotton Bleaching Company, $30,000 stock and $100,000 bonds.

XI.—AGRICULTURE AND FORESTS

Agricultural Development and Conditions

The progress of the Dominion in this respect was very great during the year and still more marked was the almost universal optimism of the people as to the future. Mr. Elihu Root's passing remark, as an American visitor, that " eventually Canada will become just as prosperous and just as powerful as the United States "* found a very wide echo in the convictions of its people at this time. Canadian and other travellers published glowing reports of the country's development and resources. In the West, Mr. E. R. Wood of Toronto described the farmer as paying off both the interest and principle of his indebtedness and investing new borrowings in land and fresh machinery. Mr. J. S. Dennis of Winnipeg pictured the region south of Calgary as growing with marvellous rapidity from a treeless prairie of a few years since to a land covered with new farm-houses, crops and prosperous farms. Between Red Deer and Macleod, the Hon. A. G. Blair saw thousands of cattle on the plains " rolling in fat " and in the Okanagan region in British Columbia miles of orchards with growing pears, apples, plums, peaches and grapes. According to Mr. J. M. Macoun, the botanist, he found the hardier cereals to be dependable crops in the far-away Yukon, where barley, oats and wheat were raised during the year for fodder while fruits and vegetables around Dawson City constituted large crops.

Edmonton made phenomenal progress and, during the year, was stated by Mr. C. Stuart-Wade to have (with Strathcona across the River) a population of some 10,000 and to be increasing rapidly, with 30,000 people in the surrounding 50 miles. To a gathering of farmers at Minneapolis (Jan. 14th) Mr. J. J. Hill, the United States railway magnate, pointed out the growth of Manitoban wheat exports from nothing to 35,000,000 bushels in a few years and declared that " at the rate your American farmers are going into that country in ten years they will raise all the wheat that Great Britain needs." Mr. J. J. Young, M.L.A., at Vancouver, stated that nearly every town in the Territories had doubled its population in the last two or three years—that of Edmonton (alone) being placed at 8,000, Calgary at 5,000, Regina at 5,000 and of Lethbridge, Strathcona, Moosejaw, Prince Albert, Wetaskiwin and Medicine Hat at from 2,000 to 3,500 where straggling villages had flourished shortly before. Mr. J. L. Porte of Edmonton looked forward to beating Winnipeg in the race for Western metropolitan supremacy. Mr. George W. Eton

* NOTE—Interview with the ex-United States Secretary for War in Montreal, Sept. 7th.

described the Lower Peace River Valley as a region 250 miles square with a splendidly warm climate, as timbered and well-watered, and as an ideal mixed-farming and dairying country in which wheat, oats, barley and vegetables grow easily and where the rivers teem with fish and the land blossoms under bright sunshine.

Sir D. H. McMillan of Winnipeg described that city and the whole North-West to a Vancouver paper as experiencing the most prosperous year in its history. Mr. Thomas Greenway (Apr. 11th) prophesied 200,000 population for Winnipeg within ten years and he thought it would have no real rival in the future of the West. To a House of Commons Committee Mr. J. M. Macoun described the country around Trout Lake and in New Ontario as having over 100,000,000 acres of good agricultural land and, what is termed the sub-arctic forest belt, as containing many million acres of similar soil. Cy. Warman, a United States correspondent, writing to the Cleveland *Leader* described the rush of settlement into the West and thought Winnipeg in 20 years would be "the second in size and first in importance" of the cities of the Dominion. In this connection it may be stated that the value of real property in Winnipeg rose from $21,316,000 in 1900 to $41,106,870 in 1904, its assessable value from $25,077,000 to $48,214,000 and the population from 42,534 to 67,265. As to Western production in a comparative sense, Mr. Theodore M. Knappen of Minneapolis published the following table regarding the spring-wheat States and the Territories in 1902:

	Acres.	Yield per Acre.	Bushels.
Wisconsin	577,000	17·0	9,809,000
Minnesota	6,091,000	12·3	74,919,000
Iowa	1,152,000	14·9	17,165,000
Nebraska	1,125,000	14·5	16,313,000
North Dakota	4,545,000	16·3	75,084,000
South Dakota	4,040,000	12·2	48,288,000
Canadian North-West Territories	625,758	22·3	13,956,850

In the following table he gave the comparison of Manitoba wheat yields for the past five years with those of the chief spring-wheat States; and also a ten-year average:

	Average for 10 years. Bush.	1903. Bush.	1902. Bush.	1901. Bush.	1900. Bush.	1899. Bush.
Manitoba	21·7	16·4	26·0	25·1	8·9	17·1
Minnesota	14·2	13·1	13·9	12·2	10·5	13·4
North Dakota	12·7	12·7	15·9	13·1	4·9	12·8
South Dakota	10·4	13·8	12·2	12·8	6·9	10·7
Nebraska	12·2	12·6	13·9	17·1	12·0	10·3

In the April number of the *Canadian Magazine* Dr. William Saunders, Director of the Dominion Experimental Farms, had an elaborate study of existing agricultural conditions in Canada. He summarized Western resources—excluding any analysis of the

155 million acres in Athabasca and most of the 340 million acres in Mackenzie—as follows:

	Total Area exclusive of Water. Acres.	Estimated Proportion suitable for Cultivation.		Acres.
Manitoba	41,000,000	Two-thirds	=	27,000,000
Assiniboia	57,000,000	Seven-eighths	=	50,000,000
Saskatchewan	70,000,000	Three-fourths	=	52,000,000
Alberta	64,000,000	Two-thirds	=	42,000,000
Total				171,000,000

As to Ontario Mr. C. C. James, Deputy Minister of Agriculture, had an article in the University of Toronto *Monthly* for March in which he stated the increase of Provincial production in beef, bacon, and cheese between 1896 and 1902 at $27,000,000 and the total production of the farms at $40,000,000 more than was the case six years before; together with an increase to the average income of Ontario's 200,000 farmers of $200 a year. The following tables indicate certain phases of agricultural production in Canada premising that, according to the Census of 1901, the total value of agricultural and dairy products was $392,858,306, and the capital invested therein $1,793,418,040:

I.—*Chief Items of Canadian Agricultural Investment, 1901.*

Land	$1,007,454,358	Milch Cows	$69,237,970
Buildings	395,815,143	Other Horned Cattle	54,197,341
Implements and Machinery	108,665,502	Sheep	10,490,594
Horses	118,279,419	Swine	16,445,702

II.—*Agricultural Investment and Product according to Provinces.*

Province.	Investment.	Product.	Average Value per Acre.
British Columbia	$ 33,491,978	$ 6,664,369	$14 07
Manitoba	151,355,081	24,450,710	6 12
New Brunswick	51,338,311	12,873,480	9 13
Nova Scotia	72,564,907	16,294,305	12 95
Ontario	932,488,069	196,952,362	14 84
Prince Edward Island	30,626,713	7,467,567	10 28
Quebec	436,076,916	85,034,401	11 43
The Territories	79,160,655	13,389,190	8 38

III.—*Acreage and Yield of Ontario Crops, 1904.*

Field Crops.	Acres.	Bushels.	Yield per Acre.
Fall Wheat	608,458	9,160,623	15·1
Spring Wheat	225,027	3,471,103	15·4
Barley	772,434	24,567,825	31·8
Oats	2,654,936	102,173,443	38·5
Peas	339,260	6,629,866	19·5
Beans	50,892	912,849	17·9
Rye	130,702	2,001,826	15·3
Buckwheat	100,608	2,066,234	20·5
Potatoes	133,819	15,479,122	116·0
Carrots	6,634	2,022,945	305·0
Mangel-wurzels	71,344	33,595,440	471·0
Turnips	133,207	64,861,703	487·0
Corn for Husking, in the Ear	329,882	20,241,914	61·4
		Tons.	Tons.
Corn for Silo and Fodder, Green	193,115	2,023,340	10·49
Hay and Clover	2,926,207	5,259,189	1·89

IV.—*Manitoba Crops in 1903 and 1904.*

	1903.			1904.		
	Area in Crop. Acres.	Average Yield per Acre.	Total Yield. Bushels.	Area in Crop. Acres.	Average Yield per Acre.	Total Yield. Bushels.
Wheat	2,442,873	16·42	40,116,878	2,412,235	16·52	39,162,458
Oats	855,431	38·62	33,035,774	943,574	38·08	36,288,979
Barley	326,537	26·66	8,707,252	361,004	30·54	11,177,970
Flax, Rye and Peas.	61,156	11·80	716,615	46,754	14·00	673,329
Total Grain Crop.	3,685,997		82,576,519	3,763,567		87,302,736

V.—*Canadian Agricultural Exports and British Imports.*

Value of some Canadian Farm Products exported in the Year ended June 30th, 1904.	To all Countries.	To Great Britain.	Value of Products of the same sort imported into the United Kingdom from all Countries in the Year ended Dec. 31st, 1903.
Butter	$ 4,724,155	$ 4,400,774	$101,220,369
Cheese	24,184,566	24,099,004	34,330,951
Eggs	1,053,396	1,036,035	32,205,746
Poultry, Dressed or Undressed	140,214	107,509	5,855,019
Bacon	12,603,521	12,590,669	66,279,815
Hams	418,740	406,051	16,510,527
Pork	446,507	23,851	9,123,618
Wheat	13,465,351	13,106,081	145,710,652
Flour	6,129,226	3,568,430	47,316,634
Oats	1,603,104	1,213,413	20,751,116
Oatmeal	756,687	644,219	2,615,420
Pease	1,133,268	525,102	3,361,587
Barley	489,437	330,401	35,133,995
Hay	1,897,730	974,678	2,710,451
Cattle	10,424,671	10,046,651	44,817,727
Sheep and Lambs	1,545,117	721,358	2,657,506
Apples, Green or Ripe	4,590,793	4,379,826	13,535,893
Total	$85,606,483	$78,174,052	$584,137,026

Some details in connection with the above tables may also be given. In Ontario, the 1904 official figures showed on July 1st, 655,555 horses on the farms, 2,674,261 (1903) cattle, 1,455,482 sheep, 1,927,984 swine and 9,412,701 poultry, while during the fiscal year there had been sold or slaughtered 62,310 horses, 730,212 cattle, 687,144 sheep, 2,240,083 swine and 3,537,358 poultry. In Manitoba the production of potatoes (Official Report Dec. 10th) was 3,799,569 bushels and of roots 3,741,580. The poultry sold by the farmers numbered 600,413; the land prepared for next year's crop totalled 1,537,773 acres; the new farm buildings of the year were valued at $2,950,710; the cattle in stock numbered 139,490; the dairy products were valued at $768,457. New Brunswick produced in 1904, 359,545 bushels of wheat with an acreage of 20,410; 5,153,262 bushels of barley with an acreage of 3,906; 1,262,050 bushels of potatoes with an acreage of 35,240; 2,510,505 bushels of turnips with an acreage of 5,024.* According to the Dominion Census returns the quantity of butter made in Canada in 1901 was 141,026,229 lbs., the number of eggs raised 84,134,802 dozen and the bushels of potatoes grown 55,362,-

* NOTE—The agricultural product of British Columbia is small, and the Provincial Governments of Nova Scotia and Quebec do not publish figures of production.

815. The following tables deal with the Territories and the Dairying interest:

I.—*Crops in the North-West Territories.*

Year.	Wheat.		Oats.		Barley.	
	Acres.	Bushels.	Acres.	Bushels.	Acres.	Bushels.
1898 ...	307,580	5,542,478	105,677	3,040,307	17,092	449,512
1899 ...	363,523	6,915,623	134,938	4,686,036	14,276	337,421
1900 ...	412,864	4,028,294	175,439	4,226,152	17,044	353,216
1901 ...	504,697	12,808,447	229,439	11,013,066	24,702	795,100
1902 ...	625,728	13,956,850	310,367	10,661,295	36,445	870,417
1903 ...	837,234	16,029,149	440,662	14,179,705	68,974	1,842,824

II.—*Dairying Conditions—Census of 1901.*

Provinces.	Value of Products.			Paid Patrons.
	Butter.	Cheese.	Total.	
British Columbia	$ 105,690	....	$ 105,690	85,894
Manitoba	292,247	$ 124,025	416,272	327,595
New Brunswick	58,589	187,106	245,695	206,183
Nova Scotia	68,686	58,321	127,007	99,495
Ontario	1,527,935	13,440,987	14,968,922	12,959,240
Prince Edward Island	118,402	449,400	567,802	464,032
Quebec	4,916,756	7,957,621	12,874,377	11,039,279
The Territories	152,667	3,970	156,637	120,613
Total	$7,240,972	$22,221,430	$29,462,402	25,302,531

Forest Production and Conditions

According to the Census of 1901 the value of the forest production of Canada was $51,082,689—including British Columbia $2,634,157, New Brunswick $2,998,038, Nova Scotia $3,409,528, Ontario $21,351,898 and Quebec $18,969,716. Its resources would be difficult to adequately indicate.* In Halifax on Feb. 10th, Mr. E. Stewart, Dominion Superintendent of Forestry, said that "Canada now probably stands first in the value of forest lands of all the countries of the world. The forests are more valuable than the mines as the supply is inexhaustible if properly cared for." Of Ontario, Mr. T. Southworth, Provincial Director of Forestry, asserted (Feb. 17th) that there were 40,000,000 acres of forest land not suited to agriculture and that if only half the amount realized in Germany per acre from timber lands accrued here to the Crown, the revenues of the Province would be increased by $30,000,000. In the Legislative Assembly, Toronto, on Feb. 19th, the Hon. Mr. Davis† estimated the timber assets of the Province at $200,000,000 and the pulp-wood on Crown Lands at 300,000,000 cords valued at $75,000,000; stated the pine still held by the Crown to be 10,000,000,000 feet valued

* NOTE—See *Canadian Annual Review* for 1901, pages 63, 64, and for 1902, pages 281, 282.
† NOTE—Toronto *Star* report of speech.

at $75,000,000; estimated the stumpage dues in sight at $20,000,000 and the annual revenue therefrom at $1,400,000; and described the new Forest Reserve of 3,000 square miles in the northern part of Ontario and the previous reservations of 9,000 square miles. A little before this, on Jan. 15th, Mr. C. N. Smith of the Sault had estimated, from experience and observation, that at least $100,000,000 worth of the best pine still remained in Northern Ontario. The Superintendent of Forestry at Ottawa estimated in 1903 that some 150,000 square miles, or 96,000,000 acres, was about the Canadian area of merchantable timber—including pulp-wood—and constituting roughly 192,000,000,000 feet, worth at the lowest valuation as a mere Government royalty, $192,000,000 or a perpetual annual return to the Government alone of $13,440,000.

As to production the Secretary of the Ontario Lumbermen's Association (Feb. 6th) reported a cut by the mills of North-Western Ontario of 500,000,000 feet in the 1904 season with stocks on hand of 110,000,000 feet as compared with 485,000,000 feet in 1903 and stocks on hand of 150,000,000 feet. From St. John, N.B., the shipments of deals, etc., in 1903 aggregated 174,360,562 feet and the *Timber News* of London, England, stated the deals, etc., shipped from St. Lawrence ports to have been 469,460,360 feet. From British Columbia went 62,280,644 feet in 1903. In 1904 the shipments *via* the St. Lawrence decreased 142,000,000 feet, from New Brunswick 30,000,000 feet and from British Columbia about 20,000,000 feet. The commercial depression in Great Britain and the Presidential election in the States were said to be factors in this matter. According to the *Canadian Lumberman* the Canadian Pacific Railway also brought in from Washington—free of duty and presumably for Territorial consumption—over 19,000,000 feet of lumber.

In the matter of pulp-wood the industry, during the year ending Dec. 31st, 1903, was carried on by 39 mills with an output of 275,619 tons of wood-pulp of which 187,871 tons were mechanical pulp, 84,808 sulphite and 2,940 soda pulp. The value was $5,219,892 and it would no doubt have been greater but for the collapse of the Sault industries. The export of wood for pulp in 1903 was 1,558,560 cords and of manufactured pulp-wood exported the value was $3,150,943. In 1904 the export of the former was 1,788.049 cords and of the latter the value was $2,409,074. The following table gives general particulars as to Forest products exported in the year ending June 30th, 1904:

Logs	$ 419,633	Doors, Sashes and Blinds	$ 187,558
Lumber	26,005,318	Household Furniture	340,251
Shingles	1,711,238	Matches and Splints	192,552
Shooks	343,461	Pulp-wood	2,409,074
Timber (square)	2,132,274	Miscellaneous (manufactured)	503,788
Wood Pulp	1,788,049		
Miscellaneous (unmanufactured)	590,088	Total (manufactured)	$3,633,223
Total (unmanufactured)	$32,990,061	Total wood products	$36,623,284

The Position and Progress of Northern Ontario

Like the expansion of the North-West, though not in so great a degree, the development in Northern or "New" Ontario was an important feature of affairs in 1904. Extending northward and westward from the long-settled portions of the Province to James Bay and the Albany River its large area included 140,000 square miles, or 90,000,000 acres, divided into the Districts of Nipissing, Algoma, Thunder Bay and Rainy River with other regions lying between these and older Ontario termed, respectively, Muskoka, Parry Sound and Haliburton. Though Northern Ontario cannot, as a whole, be considered a farming country yet it possesses large areas of fertile farming land, capable of supporting a considerable population and with much of this available area, either explored, or surveyed, or partially settled. In Nipissing 3,000 square miles or 1,920,000 acres; in Algoma 17,500 square miles or 11,200,000 acres; in Thunder Bay 4,000 square miles or 2,560,000 acres; and in Rainy River 600 square miles or 384,000 acres; had been explored up to the end of 1903. One semi-official estimate made this acreage capable of supporting, in the not distant future, a population of 1,000,000 souls.

At the Census of 1891 the population of these Northern Districts of Ontario had been 15,728 and at that of 1901 145,577, or an increase of 827 per cent. Since then it has been much greater as the industrial development has more than kept pace with the agricultural. With the creation of the great manufacturing industries at Sault Ste. Marie, the building of the Algoma Central, the opening up of the iron mines in the Michipicoten and other districts farther west, the working of the rich copper deposits along the north shore of Lake Huron, followed by the construction of the Government railway from North Bay to the land settlement north-west of Lake Temiskaming, and with a rapid increase of settlers in the Temiskaming region, in the Rainy River District, in western Nipissing, and in the southern part of Algoma, as well as in the Thunder Bay District, New Ontario is in truth pulsing with a new life. In many of the towns this progress was accentuated during 1904 by marked development of a commercial or industrial character. Thus Mattawa has become a centre for the lumber industry of the Upper Ottawa; North Bay a railway centre; Sturgeon Falls has a prosperous farm country at its back; Sudbury is the seat of great nickel and copper industries; while Rat Portage is the centre of the Lake-of-the-Woods gold fields, and of extensive lumbering, flour and sawmilling industries. Port Arthur and Fort William in the Thunder Bay District, at the western end of Lake Superior, are ports for a growing lake commerce and have also become important railway centres.

Some portions of this great region were much discussed during the year in connection with political issues, with the construction of the Temiskaming Railway, with the discoveries of minerals

or the reservation of forest areas, with the efforts to preserve the forests from fire and with the sale of timber limits. The Temiskaming settlement on Lake Temiskaming, on the Upper Ottawa River, occupies a large valley comprising about 1,000,000 acres of choice arable land, about half of which has been surveyed and laid out in townships. The land, which rises abruptly from the lake shore to a height of about fifty feet, slopes gradually towards the Height of Land, which is about fifty miles distant from the lake. The soil is said to be equal in fertility to that of any portion of Southern Ontario, being a rich clay, with a surface of black vegetable mould. The district is well watered with numerous streams and rivers, the most notable of which are the Blanche River, navigable for 30 miles; the Montreal and the Wabbi Rivers. The country is densely wooded with spruce, cedar, birch, balsam, poplar, tamarack (larch) and other trees. The local market for the timber is such that the settler is often enabled to make not only a living but a handsome profit in clearing his land.

What has been termed "the great clay belt" stretches across the Districts of Nipissing and Algoma and into Thunder Bay District, comprising a total area of some 24,500 square miles, or 15,680,000 acres. This almost unbroken stretch of good farming land is nearly three-quarters as great in extent as the whole settled portion of the Province south of Lake Nipissing and the French and Mattawa Rivers. In the Rainy River Valley, which is in the extreme western part of the Province, settlement progressed during the year with a rapidity equal to that of the Temiskaming country. The settlers there, however, differed from those in Temiskaming, as the latter were drawn mostly from Old Ontario while the former were chiefly farmers from the United States, who had discovered the advantages offered by the Rainy River country and promptly settled there in large numbers. The building of the Canadian Northern Railway through the Valley has also contributed largely to the development of the country. The luxuriance of the natural vegetation found in the Rainy River Valley is very marked and affords ample evidence of the fertility and richness of its soil.

In these Districts, at the beginning of the year, there were 1,804 miles of railway and other lines projected or in course of construction. As to the mineral resources of the region they may be described as almost illimitable. Experts of the United States Navy Department have reported 650,000,000 tons of nickel-bearing ore in sight near Sudbury containing 1½ to 3½ per cent. of nickel and from 2 to 4 per cent. of copper. Later on other discoveries were made in an area of about 2,000 square miles. The copper-bearing belt extends from the shores of Georgian Bay northward to Lake Superior and the Height of Land and covers a region of some 20,000 square miles. The gold-bearing section

lies immediately north of the State of Minnesota and comprises a tract of between 2,000 and 3,000 square miles.

Northern Ontario, as the seat of lumbering operations, is in part a tree-covered wilderness. The growth belongs largely to such coniferous varieties as the pine, spruce, balsam, cedar, larch and hemlock together with birches and poplars. In its southern limits large and valuable tracts of hard-wood exist; but as progress is made northward, these trees become fewer in number until they finally disappear from the forest. The north is not so rich in variety of species as the south originally was, but the great extent of its forests, and the growing demand for the kinds of wood they contain, make them of great importance in considering the country's forest wealth. Foremost among the trees of Ontario, both for value and commercial importance, is the white or Weymouth pine. Pine has long been the chief wood exported, and is still the main object of lumbering operations. While the quantity of pine yet existing in Ontario is difficult to estimate, and is not nearly so large as it once was, it is admitted by competent authorities that the Province still possesses a larger supply of this wood than is to be found anywhere else on the continent of America.

Next in importance is the spruce, a tree which is found almost everywhere in the North in large quantities, intermingled with the other forest growth. It is the most abundant tree in this portion of Ontario. The farther north, the more plentiful the spruce, until after the divide, or Height of Land, is crossed, a continuous forest of spruce, extending to the shores of Hudson's Bay, is found to exist, and is probably the most extensive in the world. Canadian spruce is admittedly superior to the European variety for the manufacture of wood-pulp, which is in increasing demand for paper, textile fabrics, and a great number of other articles. Official estimates of pulp-wood areas give a possible production of 20,000,000 cords in Nipissing, 100,000,000 cords in Algoma, 150,000,000 cords in Thunder Bay and 18,000,000 cords in the Rainy River District. Valuing this quantity at the present rate of dues, alone, Ontario possesses an actual revenue asset in this respect of $115,200,000. The following list indicates the character of the agreements entered into by the late Ontario Government with various Companies looking to active operations in the pulp-wood areas:

	Capital to be Invested.	Employees.
Sault Ste. Marie Pulp and Paper Company	$ 400,000	400
Sturgeon Falls Pulp and Paper Company	1,000,000	240
Spanish River Pulp and Paper Company	500,000	250
Blanche River Pulp and Paper Company.....	750,000	300
Nepigon Pulp and Paper Mfg. Company.....	200,000	200
Keewatin Power Company	1,500,000	500
	$4,350,000	1,890

INCIDENTS RELATING TO AGRICULTURE AND THE FOREST INDUSTRY.

AGRICULTURE—

Jan. 1.—The land sales in 1903 of the Hudson's Bay Company are stated at $4,866,317; of the C.P.R. $17,940,340; of the Manitoba and S. W. Railway Co. $3,059,521; of the Qu'Appelle, Long Lake and Saskatchewan Co. $1,931,566; of the Calgary and Edmonton Co. $2,476,624; of the Canadian Northern Railway $631,503; and of the Grand North-West Central $522,490.

Jan. 8.—At the meeting of the British Columbia Fruit Growers' Association Mr. R. W. Palmer gives the following expert opinion of conditions: "Statistics showed that the greater part of the fruit sold, as far east as Calgary, was raised in British Columbia. He did not think the capture of the North-West markets was so much a matter of the cost of transportation as the cost of production; and this problem must be met by the growers themselves. The markets in the North-West, though vast and valuable, were very scattered." It is stated also that during 1903 the C.P.R. carried 1,987 tons of British Columbia fruit as against 1,469 tons in 1902 and the Dominion Express Co. 676 tons as against 483 tons.

Jan. 8.—A deputation representing the horse breeders of Canada waits upon the Dominion Government to protest against the importation of poor stock at a low rate of duty from the United States.

Jan. 27.—Speaking at Sherbrooke, Mr. C. H. Parmalee, M.P., describes the dairy industry in Quebec as "one of the chief sources of income and profit of the farming community." The increase has been 350 per cent. in ten years and there are now over 2,000 cheese and butter factories in the Province.

Feb. 19.—It is stated that J. J. Nickson and Co. of Vancouver have been awarded a $3,000,000 contract by the C.P.R. for irrigation work near Calgary.

Feb. 2.—The Central Farmers' Institute Convention, meeting at Victoria, B.C., passes a Resolution asking the Dominion and Provincial Governments to set aside land to endow a British Columbia Agricultural College.

Mar. 8.—At an important meeting of the National Live Stock Association of Canada at Ottawa the following Resolutions are passed after prolonged discussion:

1. That all the records now existing be amalgamated into one national record based on the generally accepted standard as understood by the majority of owners interested in each breed.

2. That when amalgamation takes place every animal at present registered in any herd book of the proper standard be accepted free of cost.

3. That in all cases the rules and regulations governing registration in any national record shall be decided by the resolution of the duly qualified members of the Association representing each particular breed and be subject to approval by the Minister of Agriculture in accordance with Section 2, chapter 33.

4. That steps be taken forthwith to organize record associations for breeds of live stock not now recorded in any Canadian live stock register.

Apr. 27.—The production of cheese and butter in Prince Edward Island shows a total value of $393,217 in 1903 as against $409,961 in 1902 and $857,179 in 1901.

May 19.—Mr. T. Cunningham, Provincial Fruit Inspector, tells the Victoria *Colonist* that "never has British Columbia had a season as prosperous as the last has been in the fruit-raising industry.

The fact that whereas in past years from 25 to 30 cars of apples for Vancouver consumption came from the States, while this year only three cars arrived—the deficit being made up from home supply—is significant. But this is only one indication of the profit of the industry. Since the 1st of January about 250,000 trees were shipped to this port, of many species and from many countries."

June 21.—The Ontario Fruit Growers' Association and others appear before the Railway Commission in Toronto and make complaint as to the Railway equipment for carrying fruit, the service for its delivery and the rates for conveyance which, it is stated, absorb at least one-third of the gross returns.

July 30.—It is stated that Mr. E. W. Day of Toronto has completed a purchase from the C.P.R. of 12 townships of land in Alberta and including 120,000 acres stretching from 40 miles east of Wetaskiwin toward the Battle River.

Aug. 6.—Speaking to the *Telegram* of an estimate that the Manitoba grain crop would be 70,000,000 bushels Mr. Premier Roblin says: "This is a tremendous addition to be made to the wealth of the West. It does not mean merely that so much money will be put in circulation; as it might be by doing business among ourselves. It means the addition of that great sum to our store of wealth. It is not merely passing around the money already here, or exchanging with each other the goods we already have. It is new wealth which did not exist before—created and brought forth, as it were, out of the soil."

Sept. 1.—The Board of the new Manitoba Agricultural College is composed of the Hon. R. P. Roblin, Mr. J. A. M. Aikins, K.C., and the Rev. Principal Patrick of Winnipeg; Messrs. Walter Lynch of Westbourne, Walter James of Rosser, E. A. C. Hosmer of Virden, Peleg Smith of Indianford, H. M. Dyer of Minnedosa, Alex. Matheson of Carman and C. G. Caron of St. Charles.

Sept. 12.—Frost is experienced in various parts of Manitoba and in varying degrees but the Territories escape, in the main, except around Edmonton.

Sept. 13.—Estimates of the wheat crop of Canada for 1904 give a total of 72,000,000 bushels of which 36,000,000 bushels will be required for home consumption.

Sept. 13.—In the Toronto *World* Mr. Arthur Harvey, F.R.S.C., estimates the loss of money to Canada through "rust" in wheat, or fungoid attacks, at $75,000,000 in the past two months and urges special study and treatment of the subject.

Sept. 26.—Mr. D. R. Young of Vernon, B.C., tells the Winnipeg *Free Press* his opinion of the Okanagan Valley region: "Every one of the thousand and one other gardens of Canada must give place to the Okanagan. The resources of the valley are not only rich but wonderfully varied. As a fruit country nothing in British Columbia can compare with it, and all sorts of grains and grasses grow in abundance. The hills bounding the valley furnish pasture for large herds of cattle and, as if this were not great enough wealth for any one community, here and there on the hills the prospector's pick turns up quartz suggestive of Cripple Creek or the Yukon."

Oct. 3.—The Toronto *Globe* compares the highest prices of farmers' produce on the local markets at this date with those of a similar date in 1896:

	1896.	1904.		1896.	1904.
White Wheat	$ 0 77½	$ 1 06	Dressed Hogs, cwt.	$5 25	$7 75
Oats	23	35	Eggs, dozen	15	25
Barley	38½	52	Butter, pound	16	23
Peas	44½	67	Potatoes, bushel	50	70
Hay, ton	15 00	10 50			

Oct. 5.—The North-West Territories Bulletin of Crop conditions indicates the following production for 1904 :

Product.	Area. Acres.	Expected Yield. Bushels.
Spring Wheat	1,049,799	20,340,000
Fall Wheat	5,483	106,000
Oats	657,229	21,473,506
Barley	112,090	3,035,000
Flax	21,038	205,700

Nov. 16.—It is announced that Sir W. C. Macdonald, the munificent contributor to agricultural education, has undertaken to establish a great Agricultural College on the Island of Montreal with Dr. James W. Robertson, Dominion Commissioner of Agriculture, in charge. The following is described by Dr. Robertson as the basis of its work :

1. A department of research to increase the knowledge available for the improvement of rural life in Canada along such lines, for example, as bacteriology of the soil.

2. A department of instruction, to teach the young in agricultural matters and impart to them any new knowledge that is gained.

3. A department of farms for the application of knowledge and methods in economical ways for profit making.

Nov. 22.—Mr. W. Staley Spark addresses the Royal Colonial Institute in London upon the agricultural wealth of Canada and his recent experiences there. "Whether," he says, "the farmer grows grain or stock, there is always a ready market at a very remunerative price. When I tell you that the average production of wheat to the acre is twenty-one bushels, and there is a profit of 1s. 10d. on each bushel, you will see that a thrifty man should soon have a good balance to his credit at his banker's. The raising of stock is even more profitable ; one can buy the best oats at ½d. a pound, good hay at 20s. per ton, other grain and roots equally cheap—so surely it must pay to raise stock with fodder so plentiful and cheap."

Dec. 7.—The Macdonald Institute, established at the Ontario Agricultural College by Sir W. C. Macdonald for training in domestic science, is opened at Guelph with due ceremony.

Dec. 25.—In the Christmas number of the *North-Western Miller* Mr. H. V. Jones of the Minneapolis *Commercial West* has an important article on the World's wheat production in which he says :

"The Dominion of Canada has great possibilities for wheat growing. The total area of the Dominion is 3,619,818 square miles, of which all but about 600,000 square miles is west of Ontario. The great North-West Provinces of Canada are adapted to wheat growing for large areas. It is estimated that Canada can produce annuallly 200,000,000 bushels of wheat within ten years. This may prove to be a prediction somewhat in advance of the development of Canada's wheat area, but it is entirely within the possible."

Dec. 29.—Lieut.-Governor Forget of the North-West Territories renews in the Montreal *Star* his prediction that within five years there will be at least a million people in that region. Further than this he says : "I fully believe that in twenty-five years' time the North-West Territories will contain a greater population than that possessed to-day by the whole Dominion, and that the majority of the representatives in the House of Commons will come from that section of Canada."

FORESTS—

Jan. 12.—Mr. B. E. Walker, in addressing his Bank's shareholders, expresses the hope that the establishment of a University department in Toronto devoted to Forestry may "some day bring large results in the way of further segregation of the country as to timber reserves and in replanting on an extensive scale." He also says that "the large revenue derived from annual cutting on quite small timber reserves by European Governments should tempt our politicians if they have any concern for their successors in office or for the people."

Feb. 10.—A Delegation from the Canadian Forestry Association is received by the members of both Houses of the Nova Scotia Legislature at Halifax and a public meeting held in the evening with Dr. A. H. MacKay in the chair.

Feb. 17.—In a Toronto address, Mr. Thomas Southworth, of the Ontario Bureau of Forestry, describes the Province in respect to its forests and natural resources as one of the greatest corporations in the world. In the forests, he says: "We have a yearly growth of 6,000 million feet, which would represent, at $5 per thousand, 30 million dollars annually. That is a very conservative estimate. Thirty million dollars seems a large amount but I expect to live to see it realized."

Mar. 10.—The 5th annual meeting of the Canadian Forestry Association is held in Toronto with Mr. Hiram Robinson in the chair and a reported membership of 479. Mr. E. Stewart presents a Report from the Board of Directors and papers are read by Mr. T. G. Todd of Montreal upon "Our Native Forest Trees"; by Mr. A. Harold Unwin upon "Forest Reproduction in Germany"; by Mr. John Bertram upon "Forest Management in Ontario"; by President Loudon of Toronto University upon "Education in Forestry"; by Mr. Aubrey White, of the Ontario Crown Lands Department, on "Canadian systems of administration of Timber Lands"; by Mr. W. C. J. Hall of Quebec on "The Laurentides National Park"; by Mr. J. S. Dennis of Calgary on "Forestry in relation to Immigration"; by Prof. H. L. Hutt of Guelph on "Some Ontario Forest Problems." Resolutions are passed in favour (1) of establishing an official organ for the Association; (2) urging upon the Dominion and Provincial Governments of Canada a careful examination of the water sources of the country with a view to conserving the forest growth as essential to a continuance of the even flow of the streams and the prevention of floods and erosion of the watersheds; (3) approving the Forest Reserve policy of various Governments; (4) urging the Governments concerned and the Railway Company to guard the coniferous forests along the projected route of the G.T.P. from fires used by the carelessness of construction parties. At the conclusion of the meeting Mr. Aubrey White is elected President and a banquet attended by the members.

Apr. 11.—The Hon. Mr. Parent states in the Quebec Legislature that since Mar. 13th, 1903, 3,167 square miles of timber limits have been sold under license. Up to date 66,119 square miles had been sold in this way or 42,316,160 acres. Twenty per cent. of the public domain is, he states, now under license.

Aug. 3.—The Ontario Crown Lands Department states that during the past Winter the timber cut in the Temiskaming region netted the 300 settlers whose lands were cut over the sum of $232,788.

Oct. 3.—A deputation of Ontario Lumbermen waits upon the Prime Minister at Ottawa and asks for the imposition of a duty upon lumber entering Canada equivalent to that which the United States charges upon Canadian lumber.

XII.—MINES AND FISHERIES

Canadian Mines and Minerals

The chief mining incident of the year was perhaps the revived interest shown in Canada's great coal deposits. In Parliament on Mar. 17th the Hon. Mr. Sifton presented, in answer to a question, a Memorandum from the Director of the Geological Survey upon the subject. This paper described the area of coal-bearing rocks within the Dominion to be very great and the largest portion of it to be in the Territories and in British Columbia. The boundaries of these coal districts had not yet been defined but the coals occurred chiefly in the cretaceous and tertiary rocks which extend from Southern Manitoba, westward to the Rocky Mountains and northerly through the region along the east side of the Mountains from the international boundary to the Arctic Sea. The more specific locations were given as follows:

> Long geological basins, containing seams of coal, also occur within the Rocky Mountains themselves and among the other mountain ranges westward to the Pacific coast. Important coal-fields exist on the inner or north-eastern side of Vancouver Island and extensive collieries have been worked for many years in the Comox field in this part of the Island. Numerous large coal seams occur in the Crow's Nest coal-field and in the Green Hills coal-field in the south-western part of British Columbia; also in the vicinity of Blairmore and Frank in Alberta. New coal mines are being opened near the main line of the Canadian Pacific Railway near Canmore and Anthracite. Coal is also found in the Nicola Valley in British Columbia. In the Yukon Territory, a good quality of coal exists and is beginning to be mined in the northern part of the Klondike district. The lignite beds in the basin of Moose River belong to the Province of Ontario, while the valuable coal basins of Cape Breton and the Counties of Cumberland and Pictou are controlled by the Government of Nova Scotia. A small quantity of coal is found in New Brunswick. Fine seams of coal have been discovered on several of our large islands north of the mainland of the Dominion and it is believed that great quantities of coal exist there. Coal is known to exist in the vicinity of Edmonton and along the North Saskatchewan River above that town, also on the Pacific slope eastward from Port Simpson, near the proposed route of the Grand Trunk Pacific Railway.

The coal-fields of the Crow's Nest Pass came in for considerable study during the year and the Nelson (B.C.) *News,* in particular, had a series of articles reviewing the history and resources of this rich region. The production of the Crow's Nest Company's mines in 1904 was 718,111 tons of coal and 245,411 tons of coke—or a total in the five years, 1900 to 1904. of 2,466,380 tons of coal and 732,508 tons of coke. Mr. A. C. Flumerfelt of the International Coal and Coke Company of the same region, claimed in October to have 64,000,000 tons of coal in sight on the lands which they hoped to develop. In Nova Scotia a strong syndicate of Canadian and American capitalists, headed by Mr. H. M. Whitney of Boston, were reported in February to have

been formed for developing submarine coal areas at South Head, Port Morien, C.B., which were stated to cover 27 miles and to contain an estimated quantity of 240,000,000 tons of coal.

In New Brunswick the opening up by railways of the Queen's and Sunbury coal-fields led to some preliminary development in what was regarded as a rich region in this respect. Tested portions of these coal-fields had been estimated to contain over 75,000,000 tons of coal and it was stated that an extent of over 500 acres of coal could easily be obtained by simply stripping the overlying alluvial. Taking 3,000 tons to an acre this would make 1,500,000 tons of coal immediately available. In this general connection the fuel question was of much importance. It was admitted that the North-West had abundance of coal for this purpose, so much so that in digging his cellar a settler in some parts of the country would come on a seam of coal; but on the other hand Ontario had none and was not, as yet, importing any from Nova Scotia as did the other eastern Provinces. The Canadian imports of fuel in 1904 included anthracite and coke (free) $11,226,346 and bituminous coal and dust (dutiable) $9,684,807; while the total exports of coal were valued at $4,346,660. The following tables give particulars of the mineral productions, respectively and separately, of Canada, Ontario and British Columbia:

I.—*Canada's Mineral Production in 1903 and 1904.**

Mineral.	1903.	1904.
Metallic—		
Copper	$ 5,728,261	$ 5,510,119
Gold	18,834,490	16,400,000
Iron Ore	922,571	401,738
Pig Iron, from Canadian ore	707,838	901,880
Lead	762,660	1,637,420
Nickel	5,002,204	4,219,153
Silver	1,700,779	2,127,859
Zinc	48,600	24,356
Total Metallic	$33,707,403	$31,222,525
Non-Metallic—		
Asbestos	$ 891,033	$ 1,167,238
Coal	15,957,946	14,599,090
Coke	1,663,725	1,884,219
Corundum	....	101,050
Gypsum	384,259	372,924
Limestone, for flux	259,244	176,973
Mica	159,473	152,170
Mineral Pigments, Ochres	32,440	24,995
Mineral Water	100,000	80,000
Natural Gas	168,900	247,370
Petroleum	922,672	984,310
Pyrites	126,133	94,797
Salt	334,088	318,628
Miscellaneous	202,149	188,823
Carried forward	$21,202,062	$20,392,587

* Note—Geological Survey Department Report. "Subject to revision," but so nearly correct a to make no practical difference.

Brought forward	$21,202,062	$20,392,587
Structural Materials and Clay Products—		
Cement, Natural Rock	75,655	49,397
Cement, Portland	1,090,842	1,197,992
Granite	150,000	100,000
Pottery	200,000	200,000
Sands and Gravels	124,006	129,803
Sewer Pipe	317,970	378,894
Terra Cotta, Pressed Brick, etc.	386,532	400,000
Building Material, including bricks, building stone, lime, tiles, etc.	5,650,000	5,942,000
Miscellaneous	22,040	29,967
Total Non-Metallic	$29,219,107	$28,820,640
Total Metallic	$33,707,403	$31,222,525
Total Non-Metallic	29,219,107	28,820,640
Estimated value of mineral products not returned	300,000	300,000
Grand Total	$63,226,510	$60,343,165

II.—*Mineral Production in Ontario, 1903.*

Product.	Value.	Employees.	Wages.
Gold	$ 188,036	493	$ 245,490
Copper	716,726	1,437	872,302
Nickel	2,499,068		
Iron Ore	450,099	324	166,457
Pig-iron	1,491,696	622	283,928
Steel	304,580		
Miscellaneous	28,724	85	20,823
	$5,678,929	2,961	$1,589,000
Less value of ore smelted into pig-iron and pig-iron converted into steel	436,354		
Net Metallic production	$5,242,575		
Non-Metallic—			
Tile, drain	227,000	3,113	771,163
Brick, common	1,561,700		
Brick, paving	45,288		
Brick, pressed, etc.	218,550	207	94,182
Building Stone, etc.	845,000	1,270	500,000
Carbide of Calcium	144,000	66	33,934
Cement	1,252,118	854	389,254
Corundum	87,600	186	106,332
Lime	520,000	725	193,500
Mica	102,205	164	45,394
Natural Gas	196,535	138	79,945
Petroleum	1,586,674	291	165,700
Pottery	160,000	150	57,000
Salt	388,097	208	87,995
Sewer Pipe	199,971	101	46,486
Miscellaneous	83,280	224	62,501
Total Non-Metallic production	$7,628,018	7,697	$2,633,386
Total Metallic production	$5,242,575	2,961	$1,589,000
Total Non-Metallic production	7,628,018	7,697	2,633,386
Grand Total	$12,870,593	10,658	$4,222,386

III.—*Mineral Production of British Columbia, 1903 and 1904.*

	1903.	1904.*
Gold	$ 5,873,036	$ 6,400,000
Silver	1,521,472	2,200,000
Copper	4,547,535	4,600,000
Lead	689,744	1,500,000
Coal	3,504,582	3,270,000
Coke	827,715	1,200,000
Other Minerals	531,870	600,000
	$17,495,954	$19,770,000

The decrease of nearly $3,000,000 in Canadian production was due chiefly to the gold of the Yukon which was responsible for two-thirds of the amount. Gold production also decreased in British Columbia, Nova Scotia, and Ontario to a total of $530,000, nickel $783,000 and coal $496,000. On the other hand there were substantial increases in lead, $868,000; silver $418,000; and in coke and pig-iron. In the total output of Ontario there was a reduction of $500,000 for which the closing of the Sault works was mainly responsible while the steady decrease in silver and gold production also held a place in the result. In British Columbia, it may be added, the total production of all minerals up to and including 1903 was $207,224,492 of which $92,000,000 was gold. The total export of all Canadian mineral products in the calendar year 1904 (including manufactured products) was, according to Mr. Elfric Drew Ingall of the Geological Survey, Ottawa, $32,440,932.

In some of the Provinces official returns were very belated. Nova Scotia had a coal trade in 1903 amounting to 4,621,074 tons as compared with 3,898,626 tons in 1902. Of this quantity 1,605,477 tons were consumed within the Province, 376,722 tons went to New Brunswick, 1,403,910 tons to Quebec, 133,162 tons to Newfoundland, 78,472 tons to Prince Edward Island, 968,832 tons to the United States and 54,493, to other countries. The total production of the Province was 5,245,247 tons, employing over 11,000 men. Other minerals raised in the year ending Sept. 30th, 1903, were trifling in comparison—392,600 tons of coke were made, 175,850 tons of gypsum, 262,544 tons of limestone, 194,444 tons of pig-iron and 180,434 tons of steel ingots produced. In Quebec the total production of minerals in 1903 was valued at $2,772,762 including asbestos $916,970, granite $140,000, limestone $140,000, bricks $625,000 and stone $540,000. The gold production of the Yukon for the 1904 season was $10,337,000 as compared with $12,250,000 in 1903. In his annual Report as Commissioner of the Yukon, dated Aug. 10th, Mr. F. T. Congdon threw some light upon business conditions in this Territory and, incidentally, upon certain political charges:

It should be noted that during the present season Dawson has suffered from a boom given to the Tanana in Alaska and to its chief town

* NOTE—The figures for 1904 are an official estimate and approximately close.

Fairbanks. Many substantial men have gone from the Yukon and many more of those who have constituted our floating population have also departed. Dawson has also suffered from the fact that in 1902 it became incorporated and was obliged to submit to heavy taxation in order to defray civic expenses. Business men immediately began to open business places on the Creeks and each Creek has become almost entirely independent of Dawson. Business houses upon the Creeks have been able to compete at great advantage with similar establishments in Dawson because the former were free from taxation and the latter heavily taxed.

The Fishery Interests of Canada

With its eastern sea-coast of 5,600 miles and western sea-coast of 7,180 miles; its salt-water, inshore areas of over 1,500 square miles; and the Great Lakes of 72,700 square miles; together with innumerable smaller bodies of inland water all stocked with excellent specimens of food fish; Canada can easily boast the most extensive and varied Fisheries in the world. The value of the fish caught and fish products prepared during the year ending June 30th, 1903—the latest year for which official figures are available—was $23,101,878. It exceeded the previous year by $1,000,000 and, with the exception of 1900, was the largest recorded production of Canada. The total production of the chief kinds of fish caught in Canadian waters from 1869 to 1903 inclusive is officially stated as follows: Cod, $128,978,513; salmon $78,073,972; lobster $72,270,477; herring $68,105,595; mackerel $45,089,021. In the total values of the Fisheries—all products included—since 1870 the Maritime Provinces came first with $372,611,667, British Columbia next with a total of $83,379,726 Quebec followed with $66,741,591, Ontario with $37,842,930 and the West with $11,873,289.

The total expenditure of 1903 in the Department of Fisheries at Ottawa was $634,824 and the bounties received by deep-sea fishermen in the Maritime Provinces totalled $158,943. The value of all fish caught was, by Provinces, $7,841,002 for Nova Scotia; $4,748,365 for British Columbia; $4,186,800 for New Brunswick; $2,211,792 for Quebec; $1,535,144 for Ontario; $1,478,665 for Manitoba and the Territories; $1,099,510 for Prince Edward Island. The men engaged in the Fisheries numbered 79,134—exclusive of 14,000 persons in the lobster plants and 17,000 in the salmon canneries. The business represented $12,241,454 capital with $1,378,197 more in the lobster plants and $1,312,500 in the salmon canneries. The sealing fleet of British Columbia included 26 vessels, using 92 boats and 164 canoes, manned by 299 white men and 338 Indians, with a product of $300,000. In his annual Report (February, 1904) the Hon. R. Prefontaine, referred to the continued work of the Fisheries Commission in the Maritime Provinces and to the erection of dog-fish reduction works at Canso, N.S., with the idea of making those sea-pests a marketable commodity. He also recommended a special Commission to investigate Fishery conditions in British Columbia. The following table shows the kind of fish caught during 1903 in Canada and their values:

Kinds of Fish.	Value.	Kinds of Fish.	Value.
Cod	$3,778,430	Perch	82,576
Haddock	586,806	Pickerel	577,283
Hake	260,828	Bass	20,121
Pollock	250,592	Eels	121,599
Tom Cod or Frost Fish	71,551	Mackerel	1,644,319
Halibut	631,563	Sturgeon	199,286
Flounders	30,182	Lobsters	3,625,382
Salmon	3,521,158	Oysters	178,785
Trout	728,153	Clams	175,026
Whitefish	883,032	Squid	76,616
Smelts	480,804	Coarse and Mixed Fish	609,958
Culachons (in B.C.)	96,436	Fish as Home Consumption	338,436
Herring	1,998,950	Fur Seal Skins (in B.C.)	307,440
Sardines	509,021	Fish used as Bait	448,182
Shad	103,871	Fish used as Fertilizer	200,775
Alewives	131,345	Fish Oil	225,537
Pike	202,913	Miscellaneous	14,227
Maskinonge	71,695		
Total			*$23,182,878

From various sources come some unofficial reports of production for 1904. The United States Consul at Vancouver reported to his Government on Nov. 28th that the British Columbia halibut fisheries for the year had given a phenomenal production—over 8,800,000 pounds—and that the industry was capable of very large extension. The Fraser River season for sockeye salmon had, on the other hand, been most disappointing and only 80,000 cases were put up in the 23 canneries operated. The Northern canneries, however (27 in number), had done very well and put up some 260,000 cases. According to the *Pacific Fisherman* of San Francisco (December) the total British Columbia salmon pack for the year was 465,894 cases. In Ontario the estimated yield of the Fisheries (Mar. 13th, 1905) by Mr. S. T. Bastedo was 24,009,970 pounds valued at $1,793,229.

MISCELLANEOUS MINING AND FISHING INCIDENTS

MINING—

Jan. 14.—Mr. B. T. A. Bell, one of the Treadgold Commissioners in the Yukon, informs an Ottawa audience that "the future of the Klondike lies, unquestionably, in the reclamation of the vast areas of low-grade gravels lying in the creeks, on the hillsides, and benches. These can only be profitably worked by consolidation, by the installation of more economic methods of working and above all, by the introduction of an efficient water supply. If the Klondike placers are to be worked on an economic basis the cost of extraction must be reduced very greatly."

Jan. 20.—The Mining Society of Nova Scotia convenes at Halifax with the Vice-President, Mr. Alex. McNeil, in the chair. Papers are read by Mr. R. H. Brown on submarine coal mining; by Mr. W. L. Libby, on Government Aid to Deep Mining in Nova Scotia; an address is given by Mr. E. R. Faribault of Ottawa; and a paper read by Prof. Sexton of Dalhousie College on the study of Heat Treatment of Steel for Castings. Mr. Clarence H. Dimock of Windsor, N.S., is elected President and a Resolution passed in favour of the Provincial Government giving aid to deep mining by the sinking of shafts from the surface.

* NOTE—By an error in additions the 1904 Report of the Minister of Marine and Fisheries makes this total $23,101,878.

Jan. 28.—A Delegation from the workingmen and coal miners of Nova Scotia waits upon the Provincial Government to demand legislation in favour of (1) an 8 hours day for miners, (2) a nine hours day for mechanics, (3) weekly pay, (4) copper tamping bars and examination of fire losses, (5) certificates of iron-ore miners, (6) appointment of Inspectors under the Factories Act.

Feb. 2.—In the Montreal *Herald* Mr. Justice Dugas of the Yukon draws attention to the following fact: "Of the $100,000,000 worth of gold that has been taken out of the Yukon district, fully $80,000,000 have been sent to foreign countries, by far the greater quantity going into the United States. It has been the gold from the Canadian territory of the Yukon that has built up such large towns as Seattle, Tacoma and Everett on the American coast."

Feb. 3.—The Rev. John Pringle of the Yukon Council, returns after traversing 1,056 miles of that country on snow-shoes and visiting nearly every camp in the Territory. He describes the new Alsek region as very promising and a possible rival to the Klondike.

Feb. 8.—Mr. E. R. Faribault of the Geological Survey Staff returns to Ottawa from a visit to Nova Scotia and states that in his opinion its gold deposits discover a resemblance to the rich deep workings of the Bendigo mines in Australia. Deep shafts are, however, essential to future operations.

Feb. 22.—The annual Convention of the British Columbia Mining Association is opened in Victoria with President John Keen in the chair. A Committee is appointed to wait on the Provincial Government and endeavour to obtain remedial legislation *re* mining taxation. Resolutions are passed (1) asking for Government aid in the construction of a railway to the Nicola and Similkameen Coal-fields, (2) asking the Government for a modification in the fees chargeable for incorporation, registration, and licensing of companies, (3) protesting against Provincial appropriations for roads, etc., remaining under local political patronage, (4) asking for greater efficiency in the Bureau of Mines, (5) requesting the free importation of crude oils for a period of five years, (6) favouring the appointment of a Minister of Mines by the Dominion Government.

Feb. 23.—The annual meeting of the War Eagle Mining Co. shows assets, on Dec. 31st, 1903, of mines and miners' claims amounting to $1,699,329, stocks of other companies in hand $190,305, and a general total of $2,373,491; with liabilities which include a capital stock paid-up of $1,700,000 and moneys due to Bank of Toronto, Rossland, of $185,721 and to George Gooderham of $430,159.

Feb. 23.—Mr. A. McCharles of Sudbury describes what he believes to be the cause of the lack of progress in nickel mining in Canada: "The prime cause is that neither the Ontario nor the Dominion Government has devised a proper policy with regard to nickel mines. They both want to do something, but they evidently do not know what to do. The Dominion Government took power about four years ago to put an export duty on nickel ore and matte, and the Ontario Government got power two years ago to place an export tax of $7 a ton on nickel ore. But such permissive legislation would destroy any industry, and especially a mining industry. It would have been better if they had done nothing at all."

Mar. 2.—The Canadian Mining Institute meets in Toronto with President Eugene Coste, M.E., in the chair. Papers written by Mr. E. B. Kirby, M.E., on the Rossland Ore Deposit; by Mr. Fred Keefer, M.E., on Mining and Smelting in the Boundary District, B.C.; by Mr. W. M. Brewer, M.E., on the Borinte Ores of British Columbia and the Yukon; by Mr. T. W. Gibson as a Statistical

Summary of Ontario Mining, are read and several technical subjects are treated in more or less elaborate addresses.

Mar. 3.—Mr. J. Obalski, Provincial Inspector of Mines in Quebec, describes to the Canadian Mining Institute in Toronto the nature of his recent radium discovery. About 10 years ago he had found in a white mica mine a remarkable specimen of uraninite, having a specific gravity of 8·43 and weighing about 12 ounces. A partial analysis showed it to contain 70·71 per cent. of oxide of uranium. He experimented with the crystal, and succeeded in making some well-defined radiographs, while he found it also had a marked effect on the electroscope. The specimen was submitted to Prof. Rutherford, of McGill, who found that it contained one-tenth of a milligramme of radium, making it comparable with the best pitch blende so far operated for radium. Mr. Obalski had also found a material like coke, burning quite easily and leaving a large deposit of ashes containing oxide of uranium. The specimens were found about 18 miles back of Murray Bay, on the St. Lawrence.

Mar. 17.—The annual Report of the Bureau of Mines has the following reference to the Iron industry:

"The potential resources of Ontario in iron ore have been greatly extended within the last five years by the discovery of the following iron ranges situated in widely separated portions of the Province:—The Michipicoten range of the Michipicoten mining division, east shore of Lake Superior, containing the Helen, Josephine, Frances, and Brant Lake hematite deposits; the Hutton or Moose Mountain range, north-west of Lake Wahnapitæ, where the ore is magnetic; the Lake Temagami ranges, including those on the north-east arm, Vermilion, Iron and Ko-ho-ko Lakes, where the outcroppings are chiefly magnetite banded with jasper, but which also show a little hematite; the Flying Post or Ground Hog River ranges of banded magnetite and hematite; the banded hematite belt of Black Sturgeon Lake, south-west of Lake Nepigon; and the extensive range of inter-banded hematite and jasper, stretching, with some interruptions, from the east shore of Lake Nepigon to Little Long Lake; have long been known."

Mar. 17.—The Report of Mr. T. W. Gibson, Director of the Ontario Bureau of Mines affords elaborate statistics and data as to the mineral industry of the Province and includes special articles on the mines of Western Ontario by Mr. W. E. H. Carter; on Cobalt-Nickel Arsenides and Silver by Mr. Willet G. Miller; on the Abitibi region by Messrs. George F. Kay and Tennyson D. Jarvis; on the Economic Resources of the Moose River Basin by Mr. J. M. Bell; on the Northern Nickel Range and the Iroquois Beach in Ontario by Prof. A. P. Coleman; and on the Limestones of Ontario by Mr. Willet G. Miller, Provincial Geologist.

Mar. 20.—The Rev. Dr. Pringle of the Yukon tells a Toronto audience that "the country is by no means played out. Of its 200,000 square miles but 1,000 have been prospected, and from these $11,000,000 was produced last year. This would have been $15,000,000 with an adequate water supply."

Mar. 21.—The Vancouver *Province* states that, if testimony of capable men and intending investors is to be trusted regarding the Alsek discoveries, "we have in that district a new Klondike from which much benefit will be reaped during the next four years. It is, accordingly, gratifying that the whole gold-bearing country, which is computed at about a hundred square miles, is entirely within Canadian territory, and that the commercial results which will flow from its development will be realized by our own people."

Apr. 2.—Mr. Arthur Davey, of Dawson City, states that the great trouble of the Yukon is lack of permanent security of title. This makes capital timid as he had recently discovered in London and Paris. "Above all things needful in the Klondike are stable laws that will give security to title and interests of all kinds that capital may require. Then the Camp may be expected to go forward with far better strides than in the past."

Apr. 14.—Mr. J. W. Tyrrell, C.E., the explorer, writing to the *Globe* describes the minerals of the Hudson's Bay region. Extensive deposits of iron and jasper and labradorite and copper are stated to exist; with silver, gold, mica, graphite, asbestos, and lignite coal in quantities which vary and whose profitable condition is yet uncertain.

Apr. 14.—The Executive Council of the Associated Boards of Trade of Eastern British Columbia unanimously endorse the Silver-lead Miners' appeal for a temporary export of lead-ore with the privilege of sharing in the benefits of the Dominion lead bounty.

May 24.—It is announced that the Ontario Bureau of Mines is sending out a party in charge of Mr. J. G. McMillan, B.A., B.SC., to investigate the geological features and general resources of the region north and west of Lake Abitibi.

July 20.—The Vancouver *Province* deals editorially with the condition of the famous *Le Roi* mine at Rossland:

"We have been assured time and again that not only is there abundance of ore in the property, but that the ore contains values which ought to produce a profit even with the smelter rates which now obtain. Despite this, however, the mine has apparently been going steadily backward from a financial standpoint, until it is now regarded as a white elephant on the hands of the stockholders. When it is considered that the *Centre Star* and *War Eagle*, which three years ago had reached a very low ebb, indeed, in public estimation and were regarded as practically exhausted, have since, under able management, paid a large profit and have now ahead of them, apparently, an assured future, one's astonishment at the condition of the *Le Roi* becomes still greater."

Aug. 25.—Dealing with recent new discoveries of iron-ore in Ontario Mr. B. W. Folger of Kingston, a well-known mining man, says: "It is my firm belief that in time the iron mines on the Canadian side of Lake Superior will be quite as important as those on the United States side."

Aug. 1.—The Report of Mr. Justice Britton on the Treadgold affair in the Yukon summarizes conditions there in a few concluding words:

"There are many things that may render any forecast as to the future of the Yukon Territory of little value. Changes come quickly in a mining camp. There are in that Territory several conditions, and its remote situation renders the importation of machinery and supplies and all that is required very expensive. The season for work is short, only about 120 days. But with all its disadvantages, I venture to say that with its 450,000,000 cubic yards of gravel-bearing gold, all within the small area of the district of 'Bonanza' and 'Hunker' Creeks and their tributaries, as estimated by Mr. McConnell, to say nothing of the remainder of the Territory—if water can be supplied at a reasonable price—the prosperity of the Yukon is for many years assured."

Nov. 29.—Mr. George Gooderham, at the annual meeting in Toronto of the *Centre Star* Mining Co. of Rossland, points out "that the success of this and other mills meant everything to the Rossland camp. The *War Eagle* and the *Centre Star* have so far

produced 553,932 tons of ore, averaging $14.40 per ton, a total value of $8,076,661. Of this more than $4,872,834 has gone to pay railways and smelters for freight, treating, refining and marketing charges. The balance, amounting to about $3,200,000 has been received by the mines, and the whole of it disbursed for labour and supplies."

FISHERIES—

Jan. 1.—In his annual Report on the Fisheries of British Columbia Mr. J. P. Babcock refers at length to the crisis in the Fraser River salmon fisheries and summarizes the international situation as follows :

"In my Report last year I had occasion to review in detail the conditions existing upon the fishing and spawning grounds of the Fraser, in which I sought to trace the movements of the sockeye from the sea to the river, and attempted to show that too great a proportion of the sockeye was being captured in the poor years, that an insufficient number reached the spawning grounds, and that there was urgent need of giving greater protection to the fish. In that review I sought to show, as others have done, that the greatest movement of the sockeye seeking entrance to the Fraser passed through the American channels of Puget Sound, and called attention to the fact that there were no limitations either of time or method placed upon the capture of sockeye in those waters, and that in consequence all, or most all, the fish which attempted to pass through those channels were captured by trap, purse or drag nets."

Feb. 12.—The Ontario Fisheries authorities send to Ottawa the following suggested changes in regulations, with others defining close seasons, etc., so as to prevent the waters of the Province from being fished out :

1. To confer Dominion authority upon Provincial Fisheries' overseers.

2. To specify a minimum penalty of ten dollars for fisheries violations.

3. To compel owners of private ponds to observe the regulations.

4. To prohibit all fishing except under Provincial license, excluding only hook and line angling.

5. Fishermen's huts on the ice to be licensed.

6. To define by law the mesh of all nets.

7. Number of fish to be legally allowed per diem : Black bass, eight ; speckled trout, twenty ; maskinonge, four ; yellow pickerel, twelve ; and lake trout, four.

8. Sale or export of black bass, maskinonge, and speckled trout to be prohibited for three years.

9. Netting of black bass and maskinonge to be forbidden.

10. Artificial lights and flares, driving and beating fish, to be prohibited.

Mar. 22.—Regulations are made public regarding the right to use fish-traps in British Columbia waters south of the 49th parallel in the Gulf of Georgia. Traps will not be permitted anywhere within three miles of the mouth of a navigable river or within three-quarters of a mile of any small salmon stream. No traps will be permitted upon any river or stream. Strict regulations governing the traps and all other licenses are to be formulated with the view of conserving fish life. Only white or Canadian labour will be permitted in the construction, maintenance and operation of traps. Licenses for traps will only be issued to people already engaged in the salmon-canning industry or to people who are able to guarantee that they are about to engage in the business.

Apr. 14.—In the Toronto *Globe*, Mr. J. W. Tyrrell, the northern explorer, deals with the Fisheries of Hudson's Bay. He describes the walrus, the harp seal, the ringed seal, the fresh-water seal, the white whale, the narwhal, the bow-head whale—all of considerable value—as fairly numerous. Amongst the fish in the lakes and rivers of that region, sturgeon, salmon-trout, whitefish, pike, and pickerel are reported as numerous.

Apr. 24.—Mr. Prefontaine's Parliamentary measure regulating the whaling industry in Hudson's Bay gives the Minister power to exact a license fee for all vessels whale-fishing in Canadian territorial waters, with a penalty of from $300 to $500. Harpoons and lines must be used and the licenses will run from $800 in the first year to $1,000 for the second year and $1,200 thereafter. A factory must also be established on shore by each licensee for the extraction of the whale-oil and bone.

June 2.—As the result of a Conference at Ottawa shortly before this date between the Minister of Marine and Fisheries and the Hon. F. J. Fulton and Mr. J. P. Babcock, Provincial Fisheries Inspector, Mr. Prefontaine advises the British Columbia Government that "the policy of the Dominion Government is to secure by an agreement with all the Provinces the absolute control and management of all fisheries," and that the Atlantic Provinces are favourable to such action.

July 7.—A conference is held of representatives of the Puget Sound and Fraser River salmon canneries to discuss the rapidly decreasing run of sockeye salmon. A graduated close season of 36 hours a week, effective in both British and United States waters, and created by mutual international legislation, is claimed by the Americans to be desirable and as resulting in "about 21 per cent. of the salmon coming in from the ocean passing the barrier of traps and nets on Sound and River and reaching the hatcheries and spawning grounds of the Fraser River." Committees are appointed to draft bills, etc., and report to a future meeting.

Aug. 8.—A Commission to investigate fishing conditions in Georgian Bay is appointed, composed of Mr. E. E. Prince, Chairman and Mr. John Birnie, K.C., of Collingwood and Mr. John Noble of Little Current.

Aug. 30.—The Toronto *News* makes a strong protest against the fishery rights, and what it designates as monopolies, granted to Mr. Arch. McNee of Windsor, Ont., along the Quebec shore of James Bay and to others along three of the great rivers of the north and in Great Slave Lake and Lesser Slave Lake. Long before these leases expire great commercial activity must prevail in those regions and the paper claims that the fishing monopolies will thus be an injury and injustice to many thousands of people in the future.

Sept. 3.—A special correspondent of the Montreal *Herald* has the following description of Labrador fishing interests :

"About 20,000 Newfoundland fisher-folk, men, women and children, proceed there every Spring in quest of cod, establishing themselves in its scores of harbours with their household possessions, in wooden huts of turfy shacks, returning in the fall after the fishing season is ended. The seaboard is nearly 1,000 miles in length, from Belle Isle to Hudson Strait, and every few miles there is a harbour cleft in the naked cliffs—a beneficial provision of nature for the development of the marine wealth by a seafaring people."

Nov. 22.—Mr. E. E. Prince, Dominion Commissioner of Fisheries, tells the Toronto *News* that unless the United States authorities join hands with those of Canada in protecting the fisheries of the Great Lakes, the ruin of the Fisheries will follow.

XIII.—RELIGIOUS AND MORAL INTERESTS

The Proposed Union of Three Historic Churches

The great question of the year in religious circles was the projected union of the Presbyterian, Methodist and Congregational Churches which, according to the Census of 1901, included respectively, 842,442, 916,886, and 28,293 adherents. The subject was discussed in the pulpit, in the press, in serious Conventions, in the circles of other Denominations and, by the end of 1904, had reached a stage of serious conference and organized effort.

On Mar. 4th an informal Conference was held in Toronto to discuss the general question; influenced apparently by favourable Resolutions of the Methodist General Conference and the Presbyterian General Assembly in preceding years. After a luncheon given by Mr. J. W. Flavelle, the chair was taken by the Rev. Dr. Carman, Methodist General Superintendent, whose Church was also represented by Chancellor Wallace, the Rev. Dr. Sutherland, the Rev. Dr. W. F. Wilson and Rev. Dr. S. Cleaver, Mr. C. D. Massey, and Mr. H. H. Fudger; while the Presbyterian Church was represented by the Lieut.-Governor, (Mr. Mortimer Clark), Principal Caven, the Rev. Dr. R. H. Warden, Rev. Dr. W. G. Wallace, Rev. J. A. Macdonald, Mr. W. B. McMurrich, K.C., and Mr. Hamilton Cassels, K.C. Congregationalism was represented by the Reverends Charles Duff, T. B. Hyde, J. L. Gordon, J. W. Pedley and H. F. Thomas together with Mr. Henry O'Hara, Chairman of the Union. In the speeches which followed Dr. Carman expressed his strong personal sympathy with the movement, as not only possible but necessary, if the pressing religious needs of Canada were to be met. Dr. Warden pointed out that the Missionary boards of the Presbyterian and Methodist Churches were already, and effectively, working together in British Columbia. Dr. Sutherland, Dr. Caven, Mr. Henry O'Hara, Chancellor Burwash and Mr. J. W. Flavelle delivered brief speeches warmly supporting the idea of union. Dr. Carman, Dr. Warden, and Mr. O'Hara were then appointed a Committee to arrange for further meetings.

On Apr. 21st a joint meeting of Committees representing the three Churches met in Toronto and besides the most of those above mentioned, the Rev. Dr. S. D. Chown, Rev. Dr. Briggs and Rev. J. A. Rankin, Toronto, Rev. Dr. W. H. Heartz, Halifax, Rev. Principal Sparling, Winnipeg, Rev. Dr. Henderson, Rev. G. J. Bond, Rev. A. C. Crews, Toronto, Rev. Dr. S. P. Rose, Hamilton, Rev. Principal Shaw, Montreal, and Mr. N. W. Rowell, K.C., of the Methodist Church; with Rev. F. J. Day, Rev. Dr. E. M. Hill, Montreal, and Rev. J. P. Gerrie, of the Congregational

Church, were present. From the Presbyterian Church there were also the Rev. Dr. W. T. Herridge of Ottawa, Rev. Dr. Neil and Rev. Dr. R. P. McKay. After various speeches the following Resolution was passed unanimously:

> That this joint Committee, composed of representatives of the Presbyterian, Methodist and Congregational Churches assembled to confer together respecting an organic union of the Churches named, would reverently and gratefully recognize the tokens of the Master's presence, as evidenced by the cordial brotherly spirit and earnest desire for Divine guidance maintained throughout the entire session. While recognizing the limitations of our authority as to any action that would commit our respective Churches in regard to a proposal that is yet in the initial stage, we feel sure, nevertheless, to say that we are of one mind that organic union is both desirable and practicable, and we commend the whole subject to the sympathetic and favourable consideration of the chief Assemblies of the Churches concerned for such further action as they may deem wise and expedient.

Following these proceedings there were many public expressions of sympathy with the project. At Halifax on Apr. 1st a joint meeting from the Presbyterian and Methodist churches of the City was held with the Rev. Dr. Lathern, Rev. Dr. Pollok, Rev. Robert Murray, Rev. Dr. R. H. Falconer, and many others, present. A Resolution was unanimously passed " to co-operate in such ways as may seem best to facilitate the formulation of a basis of union in the near future." At Deloraine, Man., on Apr. 7th, a favourable Resolution was passed by a united meeting of Methodists and Presbyterians; at Hamilton, Ont., a similar meeting on Apr. 12th, with Congregationalists included, approved " the principle of organic union " and urged the respective Church Courts to take immediate action; in Winnipeg on Apr. 18th, the Ministerial Association listened to an address on the subject from the Rev. Dr. DuVal and expressed its unanimous conclusion that " the union of the Congregational, Presbyterian and Methodist Churches in Canada is most desirable and practicable."

At Whitby, Ont., on May 2nd, a third inter-denominational conference was held by ministers from that place and the vicinity, with Church of England and Baptist representatives also in attendance, and various addresses were given of a sympathetic character. Victoria University Convocation on the following day was marked by strong and scholarly addresses along the same line from Principal Caven of Knox College and the Rev. T. B. Hyde (Congregationalist) which were endorsed by the Rev. Professor Clark of the Church of England. Dr. Caven declared union essential in order to consolidate the strength of the Churches and economize their resources. They were one spiritually and essentially and should be one publicly. " He did not despair of seeing the wise and good men in the Churches, if they should commit themselves fully to Divine guidance, draw up a statement of Christian doctrine that could be sincerely subscribed to by all, and which, at the same time, would be adequate as a basis for Christian union."

At a banquet in Brandon, on the same date, attended by 100 representatives of the different Churches, the subject was discussed and a Resolution passed expressing "devout gratitude for the spirit of unity which has prevailed in our gathering, and we would venture the opinion that the union of these Churches is most desirable and that no insuperable difficulties are in the way of its consummation." A meeting of the Ministerial Association of Montreal on May 9th listened to a fraternal and friendly discussion of the proposed union in which the Rev. Dr. Symonds and Rev. J. L. Gilmour, representing the Anglican and Baptist Churches, were as sympathetic as the ministers of the three denominations mainly concerned.

At Sydney, N.S., two days later, a joint meeting of Presbyterian and Methodist representatives passed a Resolution of "hearty approval of the principle of the organic union of the above-named Churches and hopes that the said union may be accomplished with no more delay than will be necessary to secure the solidity and permanence of the same." On May 13th a combined meeting in London, Ont., declared for union as did a similar one in Guelph on the 25th. Thirty Montreal churches of the three denominations met on May 27th, by means of 86 delegates, and passed a similar motion with only three dissentients. Principal Scrimger of the Presbyterian College presided and the Resolution was moved by Principal Shaw of the Methodist College and Professor Warriner of the Congregationalist College. In Truro, N.S., a largely attended meeting of the various churches concerned passed a similar motion on June 9th. Resolutions were passed on Apr. 11th by the Methodist Ministerial Association of Winnipeg; on May 12th by the Vancouver (B.C.) District Methodist meeting; on June 3rd by the Montreal Methodist Conference, on the 11th by the Bay of Quinte Conference and also by that of New Brunswick. At the meeting of the Methodist Conference in Halifax on June 17th, a Resolution was passed expressing deep and prayerful interest in the movement and regarding "with satisfaction the pronouncement of many of the representative men in these Churches respecting the possibility, probability and desirability of such union." The Whitby District of the Methodist Church; the annual meeting of the Hamilton District (May 19); the annual meeting of the Milton District; that of the Toronto District (May 26); the official Board of the Central Methodist Church, Sault Ste. Marie; the Toronto Methodist Conference on June 13th; the Manitoba Methodist Conference on June 13th; the Presbyterian Synod of Montreal and Ottawa, meeting at Brussels on June 5th; were amongst the other Church organizations endorsing the proposal.

Meanwhile the annual gatherings of the Methodist, Presbyterian, and Congregational Churches had appointed Committees to meet and discuss the subject in an earnest practical way. Individual opinion in all the Churches had also been expressing itself. In

the Presbyterian body, besides those already indicated, clerical leaders such as Principal Patrick of Winnipeg, the Rev. Dr. James Ross of Montreal, the Rev. Dr. James Barclay of Montreal, Rev. Dr. W. A. Mackay of Woodstock, Ont., Rev. Dr. E. D. McLaren of Toronto, Principal Forrest of Dalhousie University, Rev. Dr. T. Sedgwick of Nova Scotia, Rev. Dr. Wm. Moore of Ottawa, Rev. W. A. J. Martin of Brantford, Rev. Professor Baird of Manitoba College, Rev. Dr. George Bryce, Rev. Dr. G. B. Wilson Rev. C. W. Gordon of Winnipeg, Rev. Dr. Armstrong Black of Toronto and Rev. Dr. Dickson of Galt, announced themselves publicly in favour of the policy. Amongst a few who expressed opposition to the movement were the Rev. Dr. G. M. Milligan, Rev. D. C. Hossack and Rev. Dr. W. H. Hincks of Toronto and Rev. Dr. Wm. McLaren and Professor William Greig of Knox College. In the Methodist Church leading ministers like Rev. Dr. Sprague of St. John, Rev. J. P. Wilson of Peterborough, Rev. R. P. Bowles, Rev. Professor Stewart and Rev. Professor S. G. Bland of Winnipeg, Rev. E. J. Hart of Sault Ste. Marie, and Rev. Dr. A. D. Morton of Bridgewater, N.S., expressed themselves most strongly in favour of the proposal.

The Congregational Churches were practically a unit in support of the proposal and favourable Resolutions were passed by the Congregational Union of Ontario and Quebec on June 11th and by that of Nova Scotia and New Brunswick on July 20th. Writing to the Toronto *News,* on May 21st, Mr. Henry O'Hara pointed out that the Congregational Union, meeting in Hamilton in 1856, had discussed the subject; in Toronto in 1887 had passed a favourable Resolution; and in 1893 had appointed a Committee to aid in its development. Meantime, the discussion was being joined in by other Churches. Speaking in Toronto on Oct. 17th, Rev. W. J. McKay, President of the Baptist Union of Ontario and Quebec, declared strongly against any action by his religious organization. "So far as we know the pulse of our denomination, it is safe to say that Baptists are still determined to insist that Church and State shall not be wedded, that the Bible and its doctrines shall not have a place as a text-book in our Public Schools, and that Church union in an organic form is for them an impracticable and unscriptural doctrine." In the *Canadian Baptist* of May 5th, Chancellor Wallace strongly reiterated their objection to religious teaching in the schools and considered the hopefulness of many as to results in this direction from Church union to be decidedly "ominous."

The Church of England looked on with friendly sympathy and sometimes with more than that. Bishop Pinkham of Calgary told the Winnipeg *Free Press* on Apr. 11th that: "I have no question in my own mind but that the proposed union of the Methodist, Presbyterian and Congregationalist Churches will materialize, and that this will eventually lead to a union between ourselves and them." To a St. George's banquet in Halifax on Apr.

26th Bishop Courtney of Nova Scotia, in his farewell speech, said: "I, for one, heartily rejoice to read in the press of a movement to bring some of the Church bodies together, for I am convinced that the sooner the principle of unity joins together some of those who are sundered, the more speedily will all be drawn together, and when that comes the world will be won for Christ." The Rev. Canon Sprague of Cobourg, on June 21st, welcomed the movement and the Synod of Huron on June 24th congratulated the Churches concerned in a formal Resolution. Bishop Perrin of British Columbia told the Toronto *Globe* on July 9th that when the union did occur, large numbers of Presbyterians would come over to the Church of England.

On June 10th the Synod of Toronto Diocese passed a cordial Resolution of sympathy and hope while, on the other hand, the Rev. Canon Cody told the Toronto Ministerial Association (May 16th) that Church union was infinitely more than an economic problem and that in discussing the subject it would be well for men not to make light of past principles and traditions so far as they were important; that it should not be born of indifference to truth or doctrine; and that individual enthusiasm and diverse types of religious teaching, life, and worship should be safeguarded. On May 21st the Toronto *Globe* contributed an important thought to the discussion in the question as to how the elimination of a large proportion of the 3,000 ministers of these Churches in Canada would affect the rural life of the communities in which they were religious and moral leaders. Would one take the place of three?

What if the one minister is no more effective than any one of the three whom he supercedes? Each of the three had something distinctive in thought, or experience, or personality. In the sum total of their contribution to the better life of the community each was the complement of the others. The three may have been only average men, but what if the one is only an average man? Will the community greatly profit by a union which involves the withdrawal of two-thirds of its moral leadership?

On Dec. 20-22 a meeting of the three Committees, composed of 60 Presbyterian delegates, 60 Methodist delegates and 20 Congregationalists, was held in Toronto. To the general Committee the Methodists at once reported themselves as in favour of organic union if practicable; the Presbyterians declared themselves willing to frankly and openly discuss (1) doctrine, (2) polity, (3) training for the Ministry, (4) administration; the Congregationalists—to quote the Rev. Dr. Sparling's subsequent account of the Conference—said they had come to see not how much they could get but how much they could give.

Doctrine was, of course, the basic difficulty. Dr. Carman declared that, whatever happened, they could not have a creedless Church and Dr. Potts confessed that he could not see how Arminianism and Calvinism were to be reconciled and, if not, there could be no union. Discussion, however, seemed to solve difficul-

ties and to indicate that neither in doctrine nor in church government would they be found insurmountable. Meanwhile, the Rev. Dr. R. H. Warden was chosen Chairman of the Conference and the Rev. Dr. A. Sutherland, Secretary, assisted by Rev. Dr. E. D. McLaren and Rev. Frank J. Day. Before the members, during the consideration of the question, was a statement of doctrine, etc., submitted by the General Assembly of the Presbyterian Church in Australia to the Methodist and Congregational Churches there, as a suggested basis of union.

After the general discussion was concluded each Delegation retired to see what could be done as to further action and then reported on the following day. The Methodists decided that the obstacles in the way were not insuperable and that they were willing to appoint a Committee to go ahead with the work of union; the Presbterians decided for the appointment of a body of delegates to investigate the possibility of arriving at a common basis of (1) doctrine, (2) polity, (3) the Ministry, (4) Church administration, (5) law. This latter decision was accepted and five sub-Committees were constituted, each of the first four including 16 Methodists, 16 Presbyterians and 8 Congregationalists and the fifth having a membership of six Methodists, six Presbyterians and three Congregationalists. An Executive Committee was appointed to act with and between these bodies. It was composed of the Chairmen of the Union Committees of the three conferring Churches—Dr. Warden for the Presbyterians, Dr. Carman for the Methodists and Rev. Hugh Pedley for the Congregationalists—and of the Secretaries of the joint Committee and the Chairmen of the sub-Committees. The latter, as eventually chosen, were as follows:* *Doctrine*—Rev. Chancellor Burwash, Rev. Principal Scrimger and Rev. Dr. Warriner; *Polity*—Mr. Justice Maclaren, Prof. Walter Murray, and Rev. J. W. Pedley; *The Ministry*—Rev. Dr. Ryckman, Rev. Principal Patrick and Rev. J. K. Unsworth; *Administration*—Mr. Chester D. Massey, Rev. Dr. Somerville and Rev. W. McIntosh; *Law*—Mr. N. W. Rowell, K.C., Hon. C. H. Campbell, K.C., and Rev. J. T. Daley. These sub-Committees, with the aid of the Executive, were to meet and discuss the question in all its bearings and see whether some practicable and common basis for union might not be found for future submission to the Churches concerned.

At the conclusion of this historic gathering the *Mail and Empire* interviewed (Dec. 24th) a number of the Delegates. The Rev. Dr. E. D. McLaren declared the direct effect of the Conference to have been a strengthening of the conviction of those already in favour of Union and an impression of its force and importance upon those opposed to it. The real danger now was undue haste and too great zeal. Time was on the side of Union. The Rev. Dr. Carman summarized the situation as follows: "First, it

* NOTE—The denominational order is (1) Methodist, (2) Presbyterian, (3) Congregationalist.

demonstrated the unity of the spirit and the great possibilities there are before the Christian Church. Second, it brought many of the leading minds of the Churches together for better acquaintance and heartier co-operation. Third, it showed the great difference between the things essential in the Church of God and the things on which some latitude of opinion may be allowed. Fourth, it will set both Ministers and people studying Church history, polity, and government, that they may learn what things are essential and what are within the sphere of toleration. The general effect was to widen the outlook of all the Churches."

RELIGIOUS AND MORAL INCIDENTS AND CONDITIONS

I.—THE CHURCH OF ENGLAND

Feb. 10.—The Rev. Dr. L. Norman Tucker, General Secretary of the Missionary Society, tells the Diocesan Synod of Montreal how he raised the $75,000 required in 1903 for this work—by travelling 30,000 miles and continuous work and enthusiasm. For 1904 he wanted $100,000 and believed he would get it.

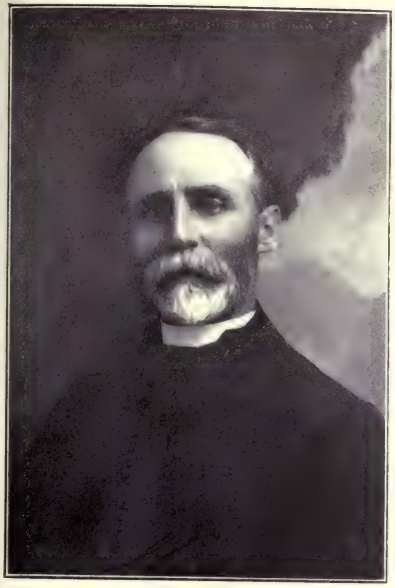
Feb. 19.—At St. Paul's Cathedral, London, Bishop Baldwin instals the Very Rev. Evan Davis, D.D., as Dean of the Cathedral; the Ven. Dr. W. A. Young of Woodstock, the Ven. D. Williams, M.A., of Stratford, the Ven. A. C. Hill, M.A., of St. Thomas and the Ven. J. B. Richardson, M.A., D.C.L., as Archdeacons, respectively, of Norfolk, Perth, Elgin and London. The Rev. John Downie, B.D., of Watford, Rev. J. C. Farthing, M.A., of Woodstock and Rev. Wm. Craig, B.D., of Petrolia are made Canons.

Mar. 24.—In connection with the condition of affairs under which the Bishop of Rupert's Land is elected by his own Diocese and the election of Metropolitan of Rupert's Land, with charge of the Western Church, is confined to the head of this particular Diocese, the Bishop of Calgary writes to the Administrator and Synod of Rupert's Land protesting against such limitations being continued.

Apr. 8.—The Bishops of the Arch-diocese of Rupert's Land meet in Winnipeg and pass a lengthy Resolution of sorrow regarding the death of Archbishop Machray.

Apr. 20.—The Synod of Rupert's Land meets at Winnipeg to nominate two clergymen from whom the House of Bishops will elect one as Bishop of the Diocese and eventual Archbishop and Metropolitan. Bishop Matheson, Administrator of the Diocese, presides and is selected as one of the two nominees upon the first ballot. After a succeeding and prolonged struggle between the names of Archdeacon Fortin of Winnipeg and Bishop Grisdale of Qu'Appelle a compromise is effected upon the Bishop of Wakefield, England (Dr. Eden) who is chosen upon the 14th ballot as the second nominee—the Rev. Dr. H. J. Cody of Toronto being next to him in the final voting.

Apr. 22.—At the annual meeting of the Synod of Nova Scotia, a Committee reports favourably as to the division of the Diocese into two parts providing that the endowment fund of the Diocese of Nova Scotia is preserved intact. They recommend that the new Diocese be composed of the Islands of Cape Breton and Prince Edward and the Counties of Pictou, Antigonish, and Guysboro' together with the Magdalen Islands—if the Diocese of Quebec is willing to surrender them and make some financial contribution for their maintenance. Despite a very large majority of the clerical vote and a total majority of the



THE RT. REV. DR. CLARE L. WORRELL.
Consecrated Anglican Bishop of Nova Scotia, 1904.

REV. DR. G. M. MILLIGAN.
Moderator (1904-5) of the Presbyterian Church in Canada.

THE RT. REV. A. ARCHAMBEAULT.
Consecrated R.C. Bishop of Joliette, 1904.

THE RT. REV. J. S. H. BRUNAULT, D.D.
Consecrated R.C. Bishop of Nicolet, 1904.

whole, the proposal ultimately fails to carry by the non-concurrence of the laity.

May 1.—At St. Alban's Cathedral, Toronto, Bishop Sweatman is presented with an Address from his Diocese congratulating him upon the 25th anniversary of his consecration. On the preceding day, through Hon. S. H. Blake, His Lordship is presented with a gold watch and a purse of gold from certain members of the Diocese.

May 10.—Many clergy of the Archdeaconries of Toronto and Peterborough meet in the Synod Office at Toronto and present Bishop Sweatman with an illuminated Address signed by the Ven. Dr. S. J. Boddy and the Ven. Dr. T. W. Allen and an episcopal ring in honour of the 25th anniversary of his consecration to the Diocese of Toronto.

June 1.—The convening circular of the Toronto Synod attributes to the following reasons the scarcity of candidates for the Ministry: (1) the standing and reputation of the clergy as a body is endangered from the lowering of the standard of scholarship; (2) the best men give it hardly a thought in considering their life's work, because they do not find in the conditions leading up to it anything to call forth their best work; (3) the salaries, which are kept at the lowest point, tend to further reduce the number of candidates; (4) the secular outlook in the entire school system of the Province.

June 7.—At the Synod meeting of the Diocese of Toronto the Church of England Missionary Society reports that the offerings for the year have totalled $72,764 and of this sum $40,828 had gone to Canadian missions, $23,213 to Foreign missions and $7,511 to expense account. The Bishop's annual address shows an increase of 718 communicants in the Diocese with a decrease of 260 baptisms; increased funds of $33,272; and the ordination of 8 priests and 5 deacons and confirmation of 1,800 candidates. A Resolution is passed congratulating Bishop Sweatman upon his 25th Anniversary and deprecating Sunday Military parades.

June 12.—Upon this and succeeding days the Centenary of St. James' Cathedral, Toronto, is celebrated and is marked by the completion of a new Rectory and sermons by Bishop DuMoulin and Rev. Professor Clark.

June 14.—At the opening of the Diocesan Synod of Niagara, Bishop DuMoulin expresses regret at the spirit of religious restlessness and doubt which is now abroad and including even the clergy and College professors and men high in the Church. He also deprecates the condition under which the average clerical salary in the Diocese is about $600 and there being so many vacancies in rural parishes with so few to fill them. "Common justice demands that there should be an increase in the stipends of the clergy. The country is prosperous and the people are comparatively well off."

June 24.—A prolonged contest takes place in the Diocesan Synod of Nova Scotia over the election of a successor to Bishop Courtney. The Rev. W. J. Armitage, with the laity and Low Church party, and the Rev. W. H. Binney, with the clergy and High Church party, are the favourite candidates. Eventually, after seven ballots, both names are withdrawn and the same elements support respectively the Rev. Dr. H. J. Cody and the Rev. Dr. Street Macklem—both of Toronto. Dr. Cody is elected by a large majority on the 11th ballot but declines the honour because "duties and responsibilities which I have undertaken here render it impossible for me to leave my present charge at this time." The Synod then adjourns for two months.

Aug. 31.—The Synod of Nova Scotia meets again for the election of a Bishop and after three ballots between the Rev. Dr. L. Nor-

man Tucker and the Ven. Dr. Clare L. Worrell, Archdeacon of Ontario, the latter is elected and accepts the position by telegram. He is enthroned on Nov. 10th following.

Oct. 14.—The House of Bishops of the Provincial Synod, meeting at Montreal, confirms the action of the Lower House in electing Archbishop Bond of Montreal, Metropolitan of all Canada, in succession to the late Archbishop Machray.

Oct. 14.—It is announced that the Rev. F. H. DuVernet, M.A., B.D., of Toronto Junction has been nominated by the Archbishop of Canterbury as Missionary Bishop of Caledonia, B.C.

Dec. 27.—The appointment is announced of the Rev. A. H. Baldwin, M.A., of Toronto as a Canon of that Diocese.

Apr. 23.—Under this date Bishop Eden of Wakefield writes that owing to his wife's health, it will be impossible for him to think of leaving England at present or to allow his name to stand as a candidate for the Bishopric of Rupert's Land.

II.—PRESBYTERIAN CHURCH IN CANADA

Jan. 23.—Much discussion is caused in Presbyterian circles by the decision of Cooke's Church, Toronto, to withhold its annual contribution to the College Fund of the Church in view of the "higher criticism" opinions expressed by Prof. McFadyen of Knox College in a recently-published volume.

Jan. 28.—The Executive Committee of the Alliance of Reformed Churches meeting in Toronto discusses the decline in the number of candidates for the Christian Ministry. Dr. Caven points out that in Canadian Presbyterian Colleges there are some 200 theological students, all told, but that while the Church is yearly adding 9,000 people to its membership there had been no increase in the number of students for several years. The debate shows that similar conditions prevail in other Churches and in England, Germany and the United States.

Feb. 29.—On this date, the end of the Church year, the total receipts for 1903-4 are announced as $274,317. Of this $113,419 has been given to Home missions, $65,575 to Foreign missions, $20,424 to French-Canadian evangelization, $23,728 to the Augmentation Fund, $3,127 to Queen's University, $6,632 to Knox College, $2,685 to the Montreal College and $4,052 to Manitoba College.

Mar. 23.—The Rev. Dr. J. A. Morison of St. David's Church, St. John, is given a most eulogistic Address and a presentation, by his congregation upon leaving to take charge of the First Presbyterian Church, Chicago—one of the leading churches in the Republic. Other denominations are also represented in the farewell ceremonies.

June 1.—The General Assembly of the Presbyterian Church meets at St. John and elects the Rev. Dr. G. M. Milligan of Toronto as Moderator. Over 300 delegates are present from as far north and west as the distant Yukon and representative of every part of Canada. The Rev. Dr. Torrance presents statistics showing 1,200 Ministers in the Church, an increase of 12,000 communicants during the year, a large increase in receipts and a decrease in debts on church property. The chief subjects of discussion are the question of sending Dr. Wilkie back to India—decided in the negative; the matter of Church union; the trouble between Professor John Campbell and the Montreal College; the necessity of promoting Sabbath School and temperance work; and the desirability of a more stringent observance of the Sabbath.

July 5.—At the Pan-Presbyterian Council meeting in Liverpool, the President, Dr. Caven of Toronto, deals with the question of decreasing probationers for the Ministry. "There would soon

be too few pastors for the Churches." In the Presbyterian Church of the United States the number of candidates for the Ministry who now came forward were only two-thirds of what they had been. In Canada the increase was not proportionate to the increase in the Church. In Scotland and England the conditions were obvious. "In regard to the cause of decline it had been suggested that the great demands which business, trade and commerce were making upon them, and the tempting openings which were presented for young men of ability, supplied the explanation. If that were so it was a very serious matter, because it would indicate a decline in the religious condition of the Churches."

Nov. 9.—The Synod of Manitoba and the Territories meeting at Winnipeg is informed that the mission fields in the past year have increased from 139 to 156 ; that the stations, fields and congregations totalled 278 as compared with 251 ; that 22 manses had been built in the year and that the number of families in the Church was 13,633 ; that the new communicants numbered 1,156 or 40 less than last year and that those received by certificate were 1,716 or an increase of 437 ; that only 311 Sunday School scholars united with the Church as against 357 in the previous year ; that the total number of communicants was 19,948 ; that Continental immigrants were undesirable settlers. The Rev. Dr. Warden tells the Synod that it is time the West gave more out of its growing wealth to mission work and relieved the East which had been so generous in the past.

Nov. 15.—The Rev. Dr. Henry Martyn Parsons of Knox Church, Toronto. celebrates his fiftieth anniversary as a Minister.

III.—THE ROMAN CATHOLIC CHURCH

Jan. 14.—In a weekly publication of the Church in St. Boniface, Manitoba, it is stated that during the past year, 17 new churches and chapels and 5 convents were erected while 4 new religious communities and 24 new priests had entered the Diocese and 6 missions been founded.

Feb. 2.—Mgr. Brunault is installed as Bishop of Nicolet, Que., by Mgr. Bruchési, Archbishop of Montreal, in the presence of Mgr. Sbarretti, Papal Delegate, Archbishops Duhamel of Ottawa, and Gauthier of Kingston and many Bishops and priests.

Feb. 16.—Archbishop O'Brien of Halifax issues a Pastoral letter dealing with the irreligion of the day, "the corrupting of the intelligence," which was now so general, and urges greater personal sanctification. "On the surface, society may appear more refined, and less cruel, than at some other periods ; in reality, however, it is more gross, because less spiritual ; and more dangerous to true Christians because of the dry-rot of unbelief, or at least, non-recognition of God, which permeates its laws, its literature and its administration of public affairs."

Feb. 27.—In his Lenten Regulations, Bishop Dowling of Hamilton urges parents to strictly oversee their children's reading, and to take a Catholic paper or magazine, and instructs pastors to encourage the religious vocation amongst their young people and to remind parents that it is a special blessing to a family to have a daughter consecrated to the service of religion or a son raised to the sublime dignity of the priesthood. Under dangers to be avoided are the joining of secret societies such as the Free-Masons, Oddfellows, Knights of Pythias and Sons of Temperance ; the holding of Church bazaars or picnics or public dances without the written permission of the Bishop ; the sending of children to a public school if a Catholic one is within three miles—with a penalty of denial of the sacraments ; the evil of mixed marriages and the un-Christian custom of carrying flowers at funerals into the churches.

Mar. 12.—Archbishop Bruchési of Montreal issues a letter to the local newspapers appealing to them for a very restricted and careful report of a current murder trial. "There are, you know, thousands of young men, young girls, and children who read your newspaper, and it is their cause I am pleading to-day. You are the father of a family, and you have the care of their souls. I speak, therefore, to your fatherly heart, and I am sure I will be understood."

Mar. 25.—A Committee is announced at Quebec composed of leading members of the St. Jean Baptiste Society and aided by representatives of the Church, and of Laval and the Religious Orders, for the purpose of erecting a Memorial to Mgr. de Laval.

May 3.—Mgr. L. N. Bégin, Archbishop of Quebec, is welcomed home from a trip to Europe by an Address from the clergy and laity and official ceremonies in the Basilica.

May 8.—With due ceremony the Rev. Canon George Gauthier is inducted by Archbishop Bruchési as Rector of the new Parish of St. James in Montreal.

May 25.—H. E. James, Cardinal Gibbons, of Baltimore, U.S., addresses an audience at Ottawa and is introduced by the Rev. Dr. Fallon. He says in the course of his speech : "You in this country and we in our country have liberty without license, authority without despotism, and our respective flags hold the ægis of its protection over us without interfering with any man in the exercise of his conscientious convictions and in the pursuit of the religion which his conscience calls upon him to accept."

July 8.—Mgr. Donatus Sbarretti, Papal Delegate to Canada, visits the Maritime Provinces and is welcomed by his people at Halifax with a ceremony at St. Mary's Cathedral and an Address. To the latter he replies in some significant words : "The condition of the Church in this country, thanks be to God, is much better than in many other countries, especially in the old world. Here she can exercise her beneficent influence, untrammelled by alien interference. Here too she enjoys the respect and admiration of those honest-minded persons who in creed differ from us. No scorn, no tyranny, no persecution. We are in a condition that we can fittingly show to others by our words and especially by our actions how sublime and how holy are the doctrines of the Catholic Church." His Excellency is welcomed at Antigonish, N.S., on the 14th, at St. John, N.B., on the 27th, and at Chatham, N.B., on Aug. 1st. At St. John he makes the following reference : "We enjoy religious liberty in this land, and it is well to remember that such liberty of worship was first given in states where Catholics predominated. We are strong in defence of our rights, but at the same time do not desire to interfere with the rights of others. Here in this land the light of Christian civilization was first brought by Catholic missionaries, and by them educational institutions were first established."

July 13.—The Rev. Dr. J. R. Teefy, Principal of St. Michael's College, Toronto, is presented with a purse of gold by a number of friends upon the occasion of his departure upon a tour abroad in search of health.

July 26.—The Very Reverend, the Superior-General of the Community of St. Basil, approves the following Canadian appointments in his Order : First Assistant, Rev. Father Cushing ; Second Assistant, the Most Rev. D. O'Connor, Archbishop of Toronto ; Third Assistant, Rev. Father Ferguson ; Fourth Assistant, Rev. The following appointments, made by the newly-elected Father McBrady ; Provincial Treasurer, Rev. Father Kelly ; Council, are confirmed by him : Rev. Father Cushing, Superior of St. Michael's College ; Rev. Father McBrady, Supe-

rior of Scholasticate ; Rev. Father Kelly, Parish Priest of St. Basil's, Toronto ; Rev. Father Hayes, Superior of Owen Sound ; Rev. Father Renaud, Superior of Amherstburg.

July 27.—Senator Paschal Porier issues a Manifesto to the Acadians of Nova Scotia upon retiring from the Presidency of L'Assumption Society and explains his efforts to obtain an Acadian Bishop and their failure through what he describes as a lack of good faith on the part of the local Hierarchy.

Aug. 3.—Twenty thousand people are present at Joliette to attend the Consecration of the new Bishop—Dr. Archambeault. Mgr. Sbarretti, Papal Delegate, and Archbishop Bruchési officiate at the ceremonies.

Aug. 26.—The 13th annual Convention of the Catholic Mutual Benefit Association is held in Toronto and for the fourth time the Hon. M. F. Hackett of Stanstead, P.Q., is elected Grand President with Hon. A. D. Richard of Dorchester, N.B., as 1st Vice-President, Mr. Bernard O'Connell of Dublin, Ont., as 2nd Vice-President, and Mr. J. J. Behan of Kingston as Secretary.

Sept. 24.—*Le Semaine Religeuse* of Montreal censures the reporters of Catholic papers who attended the religious ceremonies in connection with the Archbishop of Canterbury's visit for "taking part in the offices of a false religion" and declares that reference should only be made to the "Anglican" Archbishops of Canterbury or Montreal.

Sept. 27.—Mr. Justice MacMahon of the Ontario High Court gives judgment in a test case and decides that teachers in the Catholic Separate Schools of the Province must pass the same examinations and possess the same legal qualifications as those engaged in the Public Schools. This is afterwards confirmed by the unanimous decision of the Court of Appeal.

Oct. 2.—Archbishop Langevin is welcomed home by the Catholics of St. Boniface and Winnipeg after a prolonged journey to the Holy Land and a visit to Rome, Vienna, etc.

Nov. 3.—The Rev. Dr. M. F. Fallon, O.M.I., of the Holy Angels Church of Buffalo, well-known and popular in Ottawa, is appointed Provincial of the Oblate Order for the United States.

Nov. 16.—In connection with recent scandals Mgr. Racicot, Vicar-General of Montreal, writes in the absence of Archbishop Bruchési to the Mayor as follows : "I deem it my duty to inform the City Council that the Church will lend the aldermen its co-operation in a crusade against the ravages of public immorality at which the good citizens of Montreal are now so alarmed. Let us unite against the invasion of vice, which is becoming more and more audacious and shameless, and is exhibiting itself with revolting cynicism."

Nov. 30.—Archbishop Bruchési of Montreal is received at the Vatican by His Holiness the Pope and enjoys an audience of some length during which he is stated to have described ecclesiastical and religious conditions in Canada.

Dec. 7.—Mgr. Sbarretti, Papal Delegate, pays a formal visit to London, Ont., and is warmly welcomed by the local Catholics. He then visits Chatham and Windsor.

Dec. 8.—Montreal celebrates the 50th anniversary of the promulgation of the dogma of the Immaculate Conception with a solemn service of Benediction in the Catholic churches and with many illuminations and fireworks in the evening.

Dec. 28.—A letter is made public addressed by the Hierarchy of Canada to Cardinal Richard and expressing sympathy with him and the Church in France as to the Government's attacks on the "liberties and most sacred rights of our holy religion" and in "the war declared upon Christ and His holy Church while the whole universe acknowledges the services in religious interests

of France's army of missionaries and Sisters of Charity." It is signed by 8 Archbishops and by 23 Bishops or their representatives.

IV.—THE METHODIST CHURCH OF CANADA

Jan. 4.—A decision is made public by the Rev. Professor Stewart, D.D., Chairman of the Winnipeg District of the Church, dealing with the amusements, etc., practised by members of the Church and with the disciplinary power of its Committees. He declares that the latter have the power of punishment, in expulsion, suspension or reprimand, and concludes as follows: "In my opinion, the general rules of the Methodist Church, are not mere 'ethical ideals' to which Methodists are to aspire but rules of conduct which, as Wesley observed, the 'Spirit writes on a truly awakened heart.' The question is not whether card-playing, dancing, theatre-going, etc., are essentially evil, but whether any or all of these, as practised by a member of the Methodist Church, tends to the lessening of his spiritual life or the injury of the society of which he is a member. The purpose of the General Rules is not to restrain Christian liberty, but to enlarge that liberty and direct it into the channels of greatest usefulness."

May 19.—In electing the Rev. W. J. Sipprell, M.A., B.D., Principal of Columbian College, New Westminster, as President of the British Columbia Conference, a man is chosen remarkable even in the West for his practical energy, enthusiasm, and capacity for work.

June 11.—The Manitoba and North-West Conference reports a membership of 25,867 involving an increase of 2,480 in the year; total funds of $431,276 or an increase of $67,784; 27 new churches and 22 new parsonages.

June 13.—The Report of a Committee of the Manitoba Conference appointed to deal with "the Young Men Problem" includes the following statement:

"That many young men have no practical or vital interest in the affairs of the Church; that large numbers of boys, when they reach the age of 16 or 17, are drifting out of our Sunday Schools; that the places of evil are made bright and attractive and cater to our boys and young men; that many are being ruined by the cigarette, the gambling habit and the social evil; that statistics go to show an alarming increase in juvenile criminals, the convictions for indictable offences in Canada of boys under 21 years of age in 1902 being 814; that the home and the Church must lock shields in the battle for the welfare of the boy and the salvation of the young man. . . . From information to hand, your Committee make the following deductions:

(1) While we recognize the good work done by outside organizations, we believe it is the Church's duty to take up this work.

(2) That if we would interest young men, we must give them something to do.

(3) That one of the best ways to offset the saloon and other places of evil is by making the Church more open and attractive to young men."

June 22.—The *Christian Guardian*, in view of recent discussions as to the Missionary Society's financial condition, makes the following definite statement:

"It will be noted that (*a*) the liability of the Society is for buildings, the indispensable plant for carrying on its operations in the field, Foreign, Indian and French; (*b*) it is the

overdraft of an account, the Building and Investment Account, opened separately on the books of the Society some sixteen years ago by order of the General Board of Missions, and duly audited, presented and passed at all its subsequent annual meetings; (*c*) this account it was at first proposed to offset by legacies and special donations given without conditions, and this was done till, five years later, the increase of missionary work consumed not only the regular subscriptions, but legacies and special donations as well, in paying the missionaries at home and abroad; (*d*) the demand for buildings continuing, and increasing with the increase of the Society's operations, had to be met, and was met from funds deposited with the Society at low interest by private persons glad of the excellent security offered by its debentures; (*e*) a detailed statement of this account, with notes explaining its origin and increase, the heavy interest on it payable out of current income, and the desirability of making a supreme effort to wipe out its liability, was, by order of the Board, published in last year's annual Report; (*f*) this statement shows that while the liability of the Missionary Society, for sums borrowed to maintain its efficiency its buildings, amounted to $137,176.11, the value of these buildings and other assets amounted to no less a sum than $266,543.06, or an excess of assets over liabilities of $129,366.95."

July 28.—The Rev. Dr. George H. Cornish, the Church Statistician, states the Membership, etc., of the Canada Conferences during the years ending June 30th, 1903 and 1904 to show an increase of 3,436, as follows:

Conferences.	1904.			1903.		
	Members.	On Probation.	Total.	Total.	Increase.	Decrease.
Toronto	46,879	979	47,858	47,129	729	....
London	48,590	729	49,319	49,248	71	....
Hamilton	47,866	520	48,386	47,976	410	....
Bay of Quinte	39,585	674	40,259	40,167	92	....
Montreal	36,136	714	36,850	36,447	403	....
Nova Scotia	16,020	206	16,226	16,343	....	117
New Brunswick and Prince Edward Island	13,544	217	13,761	13,954	....	193
Newfoundland	10,814	1,157	11,971	11,665	306	....
Manitoba and North-West	25,016	851	25,867	24,475	1,372	....
British Columbia	5,185	1,226	6,411	6,173	238	....
Japan	2,669	225	2,894	2,786	108	....
West China Mission	71	....	71	54	17	....
Total	292,375	7,498	299,873	296,417	3,746	310

Aug. 10.—The Rev. Dr. Cornish, in the *Christian Guardian* of this date, and of Aug. 17th, states the number of Young People's Societies in the Church as 1,743 with active members numbering 44,484 and associate members numbering 23,420—a decrease in each case over the preceding year. The total number of Sunday School scholars is given as 268,271, the officers and teachers as 33,188, and the Sunday Schools as 3,424. The number of pledged abstainers is 87,055, those who are Church members 75,881 and those uniting with the Church during the year 9,764—a decrease in the last total of 954.

Oct. 4.—The grants to Domestic missions for the year are stated at the meeting of the Board of General Missions to amount to $114,978 and appropriations for other Mission purposes to $216,934.

Presidents of Methodist Conferences, 1904.

Toronto	Rev. G. M. Brown	Davisville.
London	Rev. Richard Hobbs	Strathroy.
Hamilton	Rev. John Pickering	St. Catharines.
Bay of Quinte	Rev. J. P. Wilson, B.A.	Belleville.
Manitoba	Rev. W. Somerville	Boissevain.
Assiniboia	Rev. Hamilton Wigle, B.A.	Regina.
Alberta	Rev. J. M. Harrison	Medicine Hat.
British Columbia	Rev. W. J. Sipprell, B.A., B.D	New Westminster.
Nova Scotia	Rev. David Hickey	Barrington.
New Brunswick and Prince Edward Island	Rev. C. W. Hamilton	Fredericton.
Montreal	Rev. David Winter	Winchester.

V.—BAPTIST AND OTHER RELIGIOUS INTERESTS

Jan. 29.—In connection with the measure which the Dominion Lord's Day Alliance hopes to get passed by Parliament, the President, Rev. Dr. Potts, tells the Toronto *Star* that "the chief thing we are after is a rest-day for the working people of this country and when we get that it will be for individuals to say whether they will use it in going to church or otherwise." The Bishops of the Roman Catholic Church had, he says, been consulted with sympathetic results.

Mar. 7.—The Centenary of the British and Foreign Bible Society is celebrated in various parts of the world and referred to in myriad churches. In Toronto the Hon. S. H. Blake describes its international work as the greatest ever known. At present it has 2,000 scholars engaged in translating the Bible into different languages and tongues with a daily distribution of 17,000 Bibles and, in the past 100 years, it had issued 180,000,000 copies in 370 languages.

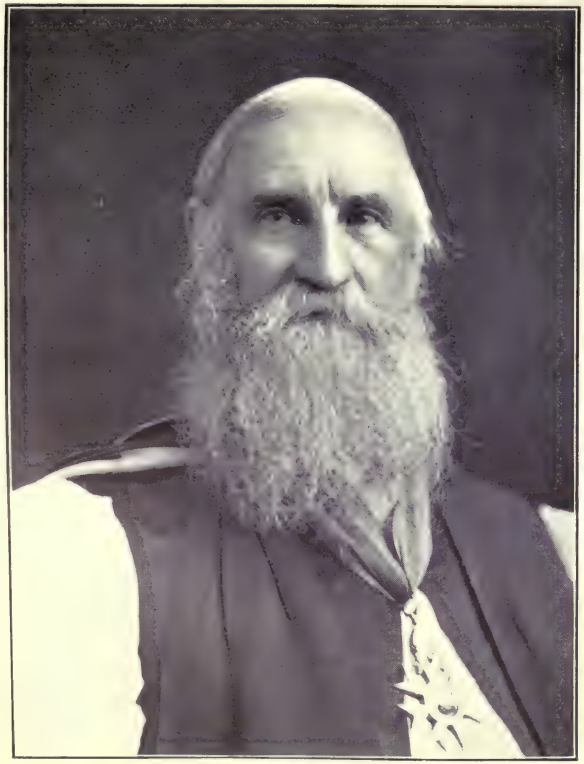
Mar. 12.—Elder John H. Archibald of the Mormon Settlement at Cardston, N.W.T., tells the Toronto *World* that since 1890, so far as he knows and believes, no polygamous marriages have been entered upon in the Mormon Church. Their instructions are not to teach the doctrine but to defend it. He argues at length in favour of polygamy: "There are 7,566,530 women in the United States alone over 15 years of age and unmarried. The present social system works against marriage and encourages vice. The larger the family brought up in a proper way, educated, taken care of and raised as a family should be, the greater blessing for the parents."

Mar. 21.—The Ontario Lord's Day Alliance waits upon the Ross Government in Toronto with an expression of views summarized by the Rev. T. Albert Moore as follows:

I. The Provincial Legislature has, under the provisions of the British North America Act, exclusive jurisdiction to restrict to six days the business of local undertakings within the Province, such as electric railways, mines and factories, and to enact similar restrictions regarding local matters within the Province, such as shops and restaurants.

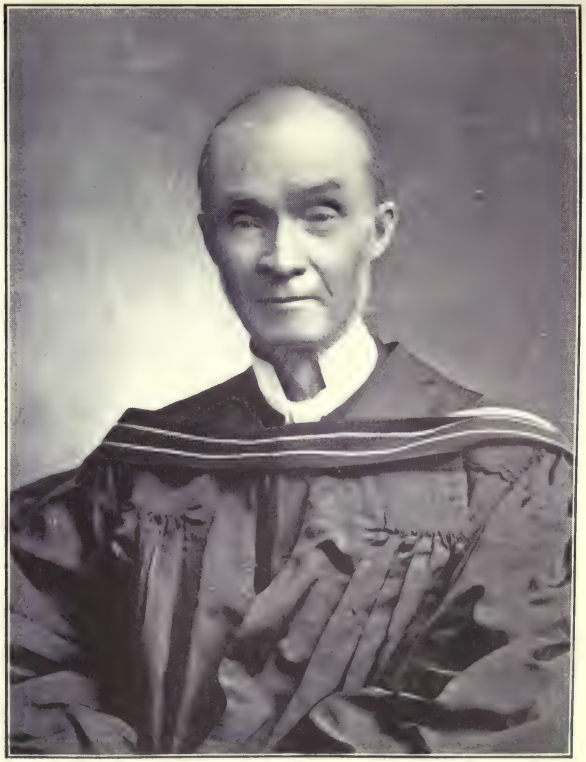
II. Under the power to pass laws in relation to civil rights, the Provincial Legislature can pass legislation, restricting to six days, sales and other mercantile business, and the employment of persons to do work other than work of necessity.

Mar. 27.—Delegates to the World's Sunday School Convention at Jerusalem listen to a sermon preached on Mars Hill, near Athens, by the Rev. Dr. Potts, of Toronto, from St. Paul's text of long ago.



THE MOST REV. ROBERT MACHRAY, D.D., LL.D., D.C.L.

Archbishop of Rupert's Land and Primate of all Canada.
Died Mar. 9th, 1904.



THE REV. WILLIAM CAVEN, D.D., LL.D.

Principal of Knox College, Toronto. Died Dec. 1st, 1904.

Apr. 30.—Mr. John W. Woolf, M.L.A., of Cardston, Alberta, tells a correspondent of the Toronto *News* that no Mormon in Canada, so far as he knows, is practising polygamy. "It was never obligatory, and was never practised by more than a very small percentage of members, and when polygamy was prohibited by law, the practice of contracting plural marriages was discontinued entirely. The latest statistics of our Church show that there are now only between 800 and 900 Mormons in the whole of the United States living in polygamy. The number is composed exclusively of men who contracted plural marriages before they became illegal, and who consider that it would be dishonourable to their wives to abandon them."

June 9.—At the meeting in Montreal of the Congregational Union of Ontario and Quebec it is announced that the Jubilee Fund of $100,000 has been over-subscribed by $16,000; that half of the debt on the churches has thus been provided for; and that in 1905 it is hoped they will all be free. The Rev. J. K. Unsworth of Hamilton is elected Chairman.

July 9.—General Booth of the Salvation Army cables to Canada a description of the immense success which has come to the International Army Congress in London and its 6,000 delegates from all parts of the world. He then goes on as follows:

"The Canadian contingent played a conspicuous part in the Congress; their processions in the streets awakened much public interest. The large buildings which specially demonstrated the ramifications of the work in the Dominion were crowded to excess. The contingent has also enlightened the average man as to the vastness of the resources and possibilities of Canada; it has provided a sound education in this direction, and it has brought very clearly before their British comrades the advanced civilization and government which you enjoy; and made the public feel justly proud of the honourable position which Canada holds under the British Crown."

July 16.—Dr. Goldwin Smith writes to the New York *Sun* a letter from which the following is an excerpt: "When it is said that Christianity since the middle of the eighteenth century has been dead or dying, we must ask what is meant by Christianity? If what is meant is belief in the supernatural inspiration of the Bible, in miracles, in the creeds, Christianity unquestionably is dead or dying in critical minds. The miracles, we see, were a halo which gathered round the head of the Founder, superior to other such halos in that they are miracles of mercy, not of power. But the doctrine which is the vital essence of Christianity, belief in the fatherhood of God and the brotherhood of man, seems not yet to be dead or certainly dying."

Aug. 12.—The biennial Conference of the Friends Association of Canada and the United States meets in Toronto and is publicly welcomed by Mr. Premier Ross and Ald. S. Alfred Jones, Acting-Mayor.

Aug. 20.—The 59th Annual Convention of the Baptists of the Maritime Provinces is opened at Truro, N.S., with 321 delegates present representing 420 churches, a membership of over 52,000 and a Baptist population of 150,000. The retiring President, Mr. Rupert G. Haley, B.A., of St. John, occupies the chair and Mr. Wm. Cummings of Truro is elected his successor. Professor E. W. Sawyer of Wolfville is appointed President of the Baptist Historical Association. It is announced that $43,210 has been contributed to the $50,000 20th Century Fund; that the Home Mission fields in the three Provinces number 462 with some 200 graduates of Acadia College working in them; that 18 more Ministers are wanted for new churches; and that the Foreign Mission Fund (Telugus, India) received $20,148 during the year. The

Treasurer's statement shows $10,035 as having been sent to Manitoba and $3,286 to British Columbia ; the Foreign Mission Board reports 35 missionaries abroad (Telugus) with 42 churches, 230 persons on the native teaching staff and a total income for the year from all sources of $36,646 ; the total number of Church members represented in the Convention is given as 44,622 and of Sunday School scholars in the denomination as 35,475—the number of the latter joining the churches during the year being 1,337, or 128 less than in the preceding year.

Aug. 23.—At the Maritime Baptist Convention, the Report of the Committee regarding union with the Free Baptists is accepted with little change and the Committee is given power to join in completing the union. The Rev. G. O. Gates, in submitting his statement, summarizes conditions as follows :

(1) The members and officers of the churches would preserve their former status or rank in the united denomination.

(2) The relief funds of the two bodies would be amalgamated on a basis that would give one footing to the participating ministers of both parties.

(3) The bodies would preserve their present covenants.

(4) Contiguous churches of the two bodies would be free to unite as they pleased.

(5) Questions in regard to the redistribution would be settled by a joint Committee.

(6) The titles to property would appertain to the same churches and boards as they do now.

(7) Titles of churches and other properties of the uniting bodies to remain as now, except such changes in name and form as may be necessary—provision for which may be made by Act of Legislature.

(8) The general funds of both bodies would merge in a common general fund.

(9) No Board would be required to withdraw funds from any object to which it was now applying it.

(10) The corresponding women's societies and boards should amalgamate.

(11) The young people's societies would federate in a Maritime union.

(12) The titles of the presiding officers of the district meeting, association and convention would be respectively Chairman, Moderator and President.

(13) The United Maritime Baptist body would have a biennial Convention."

Oct. 17.—The Baptist Convention of Ontario and Quebec meets in Toronto with the President, the Rev. W. J. McKay, B.A., B.D., in the chair and elects the Hon. John Dryden as his successor. In the course of his address Mr. McKay makes the following reference to the mid-week services : " Account for it as we may, or refuse to confess it to ourselves and to others, we are face to face with the fact—as our brethren of all denominations are—that the prayer-meeting on the part of many is no longer regarded a necessary thing to the life and growth of Christianity, and is held of little value in the estimation of growing numbers in the membership of the Churches." He declares Church union in an organic form, to be for Baptists " an impracticable and unscriptural doctrine " ; advocates the absolute separation of Church and State ; and opposes the Bible or its doctrines having any place in the Public Schools. The North-West Committee reports 24 churches and stations in British Columbia, 17 German churches in the West, 7 Scandinavian churches and 120 English-speaking churches, with 400 preaching stations.

Oct. 17.—St. John bids farewell, in a great Salvation Army demonstration, to Commissioner Eva Booth on her departure from Canada, after eight years' service, to take command in the United States.

Oct. 21.—The Baptist Convention of Ontario and Quebec passes a Resolution denouncing the Government grants to Queen's University, Kingston, as being a denominational institution and the municipal bonus in St. Thomas to the Alma Ladies' College. Another favours an arbitration treaty with the United States.

Oct. 22.—Dr. Goldwin Smith writes an extraordinary letter to the New York *Sun* in criticism of Dr. Osler's recent pamphlet, *Immortality and Science*, and, after stating that "Immortality is inconceivable," proceeds as follows:

"Philosophic dalliance with the problem of a future state may be more congenial to Dives than to Lazarus. If there is nothing beyond this life, what a spectacle is the state of Lazarus in the slums of New York! What a spectacle is the life of the unfortunate generally! What a spectacle is history! Schopenhauer said, not that this was the worst of all worlds conceivable, but that it was the worst of all possible worlds, and could not bear another grain of evil. There has been and is a terribly large proportion of the human race which might think that the pessimist told the truth. The crown of all things, Dr. Osler says, is man. If happiness is the criterion—what a crown!"

Nov. 27.—Miss Eva Booth, Salvation Army Commissioner in Canada, bids farewell to Toronto at a great mass-meeting in Massey Hall and three days later the Salvation Army welcomes to Toronto its new Canadian Commissioner, Thomas B. Coombes.

VI.—WOMEN'S WORK AND POSITION

Feb. 1.—The annual meeting of the Local Council of Women in Vancouver re-elects Mrs. James Macaulay, President and passes Resolutions in favour of a Home for illegitimate children and the enforcement of the Curfew and Expectoration by-laws.

Feb. 19.—Bishop Mills of the Diocese of Ontario, speaking at Kingston, denounces the modern idea of women's clubs as destroying home life and assails afternoon card parties and gambling amongst women. For the "mannish women" he expresses utter contempt.

Apr. 19.—Mrs. Mortimer Clark opens with due ceremony the Toronto Ladies' Club founded for purposes of social recreation, accommodation and refreshment, under a Provincial charter granted to Mrs. W. Mackenzie, Mrs. Forsyth Grant, Mrs. S. Nordheimer, Mrs. W. G. Falconbridge, Mrs. H. MacMahon, Mrs. J. S. Willison and others.

Apr. 6.—Writing, as *Bystander*, in the *Weekly Sun*, Dr. Goldwin Smith has the following remarks upon Woman's Suffrage:

"What would be the condition of a State made over, perhaps in some dangerous crisis, to the control of the women? What would be the condition of the home, when on a fiercely exciting party question, husband and wife were voting, perhaps taking the stump, against each other? For these things party does not care. Party wants the female vote. The equality of the sexes nobody gainsays. We even yield superiority to the woman. Nature has assigned to the two different parts. The responsibility for the support and defence of the State is cast upon the man, and with the responsibility must go the power. Woman in the United States, while she is trying to encroach upon the proper functions of her partner, is letting the race die out."

June 6-11.—The International Council of Women meets in Berlin, Germany, with 19 National Councils represented and with Mrs. May Wright Sewall of the United States presiding. A session

in favour of International Peace and Arbitration is addressed by the Countess of Aberdeen, who is afterwards elected President for the next five years. Two subjects are added, unanimously, to the propaganda on the programme of the Council —the promotion of Woman's Suffrage and the suppression of the white slave traffic. Mrs. Ogilvie Gordon, D.SC., PH.D., of Aberdeen is elected Hon. Secretary and Mrs. W. E. Sanford of Hamilton, Canada, Hon. Treasurer. Mrs. Thomson of St. John, Mrs. Willoughby Cummings and Mrs. Sanford are the Canadian Delegates.

June 14.—In an interview published in the Ottawa *Citizen* Mrs. R. L. Borden, wife of the Conservative Leader, is asked if she believes in Woman's Suffrage. Her answer is to the point:

"I do not. To my mind a wife is, or should be, in the truest sense of the word, a helpmeet, and the wife of a politician can, and ought to be, a help and inspiration to her husband in a thousand ways without actually entering the political arena herself. To have some knowledge of public questions of the day, to understand the political issues with which her husband is concerned, to make his interests hers intelligently and sympathetically—is not this possible without being a voter ?"

Aug. 18.—Speaking in Halifax of the work of women in Missionary matters, the Rev. R. W. Weddall gives the following details (1) as to the Woman's Missionary Society of the Methodist Church in Canada and the Rev. W. J. Armitage pays a tribute (2) in connection with Anglican efforts along similar lines:

1. The work is conducted under one central board of management and is divided into nine branches, each including, as a rule, the territory of an annual Conference. It is further subdivided into auxiliaries or societies belonging to the individual circuits. Of these auxiliaries there are 802, with a membership of 20,911. Added to these auxiliaries are 380 circles and bands, with a membership of 10,615, making a total of 1,182 societies, with a full membership of 32,526. The amount contributed by the Society in 1881-2 was $2,916.78; in 1903-4, $57,470.12—a grand total for the twenty-two years of its history of $662,287.93.

2. It is a noteworthy fact that the Church Missionary Society, the largest and most widespread organization in the world, has sent out of late a larger proportion of medical missionaries and of lady workers, than of ordained clergymen, while the Missionary Society of the Church of England in Canada sent out last year only trained women, deaconesses, to the foreign field. In the providence of God it seems as if Christian women are able to exercise a larger influence upon the heathen, and to reach the men and children, through the wives and mothers, than men are able to win, or to hold.

Sept. 26.—The National Council of Women of Canada meets at Winnipeg and is welcomed by Mrs. George Bryce, President of the Local Council and at a public meeting presided over by Bishop Matheson, with addresses from Rev. Dr. Bryce, Rev. Dr. Kilpatrick and Rev. C. W. Gordon. Mrs. Robert Thomson of St. John presides and Mrs. Willoughby Cummings, Corresponding Secretary, reports the formation of a local Council at Fredericton, N.B. Dr. Augusta Stowe Gullen makes a vigorous appeal for Woman's Suffrage and Mrs. Boomer of London urges the value of women's services on School Boards. Mrs. Thomson is re-elected President.

Nov. 9.—At a meeting of the Ontario Women's Christian Temperance Union at Bowmanville, the question of Woman's Suffrage is discussed and much feeling expressed as to recent Parliamentary remarks about women being better employed in learning how to cook.

VII.—TEMPERANCE AND PROHIBITION

Jan. 3.—Archbishop Bruchési of Montreal addresses to the Police Committee of the City a vigorous appeal for enforcement of the Liquor laws: "Could not the too easy multiplication of saloons and the sale of liquor without license be prevented? Do those who have been authorized to sell, observe strictly the law concerning such sale? I ardently desire that saloon keepers shall tolerate no disorder whatever in their establishments, and that they rigorously observe the days set apart for religious repose. . . . As an assiduous guest of the liquor seller, the husband becomes a stranger under his own roof, and by a guilty neglect of the most sacred duties of home life, he leaves to the wife the charge of the household. Look carefully, gentlemen, that the young men are not tempted to drink, and that the dealers abstain from selling intoxicating liquor to children. In the name of our people's most sacred interests, I entreat you, gentlemen, to make a strenuous effort to check the progress of intemperance, and of the evils which are its inevitable consequences."

Jan. 4.—The electors of the Town of Toronto Junction, Ont., carry a Local Option by-law which provides for the abolition of the local retail liquor trade.

Jan. 11.—The petition from Cape Breton signed by the required number of names and asking for a popular vote on the local repeal of the Scott Act, after 22 years of operation, is refused by the Dominion Government on the ground that too many of the signatures are alike.

Feb. 17.—The *Christian Guardian*, as the organ of Ontario Methodism, deals with the demand of the people for Prohibition from its own vigorous standpoint:

"Behind that demand stand nearly two hundred thousand of the electors of this Province, who went to the polls on the 2nd day of December, 1902, and deposited their ballots in favour of the total prohibition of the manufacture and sale of intoxicating liquors within its bound. That vote failed by a comparatively narrow margin of becoming an imperative and immediate mandate, a mandate which, if we interpret aright the present feeling of the people, is to-day as unwavering in its emphasis, and even more peremptory in its tone, for the most stringent legislation short of prohibition that the Government can give."

Feb. 17.—The Nova Scotia Temperance Alliance is organized at Halifax with Mr. M. H. Fitzpatrick, of New Glasgow, as President and Rev. D. S. Fraser of Halifax as Vice-President. Representatives are appointed in each County of the Province.

Feb. 17.—The Manitoba Grand Council of the Royal Templars of Temperance discusses the Local Option policy and decides to vigorously push its work in this connection. A Resolution is passed as follows: "That the Grand Council strongly approve of the appointment by the North-West Government of liquor license inspectors who are conscientious in the performance of their duties, and who are strongly in favour of the strict enforcement of the License Act, and that we convey to the North-West Government our appreciation of the appointment of Rev. Mr. Langford as Inspector for Calgary district."

Feb. 19.—A Temperance Convention in Winnipeg meets, discusses Local Option, and decides that "the time has arrived for a forward movement in the direction of a Local Option campaign and other temperance work throughout the Province."

Mar. 11.—The Executive of the London Temperance League declares

strongly against Government control of the Liquor traffic on the ground that: (1) the Government have no authority from the people to introduce such a new principle into legislation; (2) it is not temperance legislation but would only establish the liquor traffic more permanently, without appreciably reducing its evil results, and increase the drinking customs by adding to the respectability of the traffic; (3) experience in South Carolina has proven the system to be disastrous to Temperance interests.

Mar. 15.—At the Hamilton session of the Royal Templars of Temperance, Dominion Councillor Frank Buchanan presents a Report stating that they are not making political progress; that the Dominion, Ontario and Manitoba Governments had not fulfilled their promises because of the support of the R. T. of T. being unreliable; and that total Prohibition is the only acceptable solution. He then continues:

"While we have demanded and threatened, we have failed to demonstrate for the instruction of politicians that we are ready to stand by and support all those who strenuously advocate and move for the advancement of our cause. What have we advocated that is practical and possible in forward work for Prohibition? Are we satisfied to complain and scold, or can we make some suggestions along new lines that may catch the ears of legislators?"

Mar. 17.—The Royal Templars of Temperance meeting, as above, passes the following Resolution: "This Dominion Council respectfully claim at the hands of the Ontario Government the fulfilment of its pledge to legislate to the limit of Provincial powers in the direction of the prohibition and sale of intoxicating liquors as a beverage."

Mar. 27.—At a meeting of the Canadian Temperance League in Massey Hall, Toronto, Principal Caven and the Rev. Dr. Carman demand in outspoken words, as representing what they claim to be the public wish, the immediate abolition of the bar in Ontario. To quote Dr. Caven: "This is not the ultimatum of temperance reform. But it is something that the people ask now. No moral argument can be adduced in support of the public bar-room—this unchecked thing openly flaunting itself in our face every day. The abolition of this public nuisance is demanded by the people."

Mar. 28.—A Committee from the Temperance workers of St. John, N.B., presents the Provincial Government at Fredericton with a long petition pointing to the necessity of stronger legislation for the prevention of drunkenness and its accompanying evils. If, however, the Government will not grant their desire for a Prohibitory law they ask for certain reforms in the Liquor license laws. Some of these proposals are as follows:

1. To make the office of License Commissioner elective with the power of declining to grant a license if he sees fit.

2. Making it necessary for an applicant for a license to produce a certificate as to his qualifications signed by a majority of the ratepayers of the ward in which the premises are to be licensed.

3. Preventing licenses being granted within 200 yards of any church, public school or place of public amusement; changes in regulations tending to decrease the number of saloons in larger places and to abolish them altogether in small parishes; refusal to any person or corporation of the right to hold more than one license; prevention of the re-extending of licenses in specified cases and abolition of beer licenses.

Apr. 13.—Prof. J. G. Hume, of the University of Toronto, declares himself in favour of Government control of the Liquor traffic because (1) the Government could carry out their decisions better than any other body or organization, (2) that it is in their power to increase the stringency of regulations, (3) that the immediate sale of liquor would not then be in the hands of those profiting thereby.

Apr. 19.—In connection with an appeal from the liquor interests of Charlottetown, P.E.I., for a repeal of the Provincial Prohibition law or the holding of another Plebiscite, the *Guardian* points out that on Dec. 13th, 1893, a plebiscite was taken by the Peters Government, at the general elections, with a vote of 11,550 in favour and 3,715 against ; that on Sept. 29th, 1898, another was taken, apart from a general election, with 6,916 in favour and 936 against ; that Charlottetown itself had voted six times upon the operation or repeal of the Canada Temperance Act—in 1879, 1884, 1887, 1891, 1894 and 1897—with four decisions in favour of the Act and only two against.

Apr. 21.—The annual Convention of the Ontario Alliance for the Suppression of the Liquor Traffic meets in Toronto with Mr. G. F. Marter in the chair and passes the following Resolutions :

1. That this Convention expresses its deep regret and disappointment that no legislation has been introduced in fulfilment of the promises of the Government and in response to the overwhelming demand of the electorate as expressed in the Referendum.

2. That this Convention also expresses its conviction that Governments and political parties should be made aware that they cannot continue to ignore demands for adequate temperance legislation, and hope for the support of temperance men.

3. That this Convention reaffirms the declaration made at its last annual meeting, that the minimum of legislation that can be accepted as reasonable and right would be the abolition of the public bar, the treating system, and drinking in clubs, and the imposition of such other restrictions on the liquor traffic as shall most effectively curtail its operation and remedy its evils.

Apr. 21.—The *Canadian Baptist* makes a strong appeal for Mr. Premier Ross as "a great leader in whom all (Temperance people) have implicit faith" but who cannot compel his party to follow him where the Conservatives would certainly be in active opposition. And then it proceeds : "We must find a leader, suspend party politics, and fight out the issue as men of conviction and determination. Till we are ready to do this we are only making a football of Temperance for politicians to play with."

May 13.—The *Pioneer*, Toronto, contains an appeal to the friends of the Temperance cause declaring that "the bar must go," that the prospects for the attainment of this object are good, and asking subscriptions for the cause. It is signed by R. J. Fleming. Treasurer of the Ontario Alliance, G. F. Marter, President and F. S. Spence, Secretary.

June 14—The Toronto Methodist Conference receives and adopts a Report from its Committee on Temperance and Moral Reform which includes the following paragraph : "This Conference expresses its profound dissatisfaction with the Provincial Government and Legislature in their failure at the recent Session to deal in any measure with the terrible evil of the liquor traffic, notwithstanding the definite pledges of the Premier that such legislation would be introduced."

June 14.—The United Methodist Conference of Manitoba, Assiniboia and Alberta passes the Resolution which follows :

"We desire to protest against any connection whatever between the hotel business and the sale of intoxicating liquors, and declare it to be our belief that no house of accommodation for the travelling public should be permitted to keep, have, or sell intoxicating liquors for beverage purposes. We recommend the appointment by this Conference of a standing Committee to co-operate with other bodies in securing more satisfactory Temperance legislation at the next sitting of the Local House. We recommend the inauguration and carrying through of a series of Local Option campaigns throughout the Province, and that the workers in every part of the Province be urged to take immediate steps for the circulation of the requisite petitions therefor, and to arrange for the carrying on of an energetic campaign."

June 23.—Resolutions are passed at a largely attended Temperance Convention in St. John, N.B., approving of the recent deputation to the Government and making the following assertions :

"Whereas Temperance sentiment is so strong in New Brunswick that the sale of intoxicating liquors is practically prohibited in the greater part of the Province, and whereas at the Prohibition plebiscite held a few years ago it was clearly shown that the united Temperance vote of the Province is very largely in excess of those favourable to the liquor business : Therefore this Convention urges all Temperance people in New Brunswick to stand together in demanding strong Temperance legislation for every part of the Province as such united action on our part cannot fail to bring about the desired result."

June 23.—The Peterborough Association of Baptist Churches passes the following Resolution : "While appreciating at least some of the difficulties which present themselves to the Government of this Province in the way of Temperance legislation we at the same time deeply deplore the fact that they have thus far failed in carrying out the clearly-expressed desire of a large majority of the electorate of the Province as expressed in the Referendum vote of December, 1902, and we would strongly urge upon this Association the importance of using our influence, and very best efforts, towards placing as our representatives in the Legislature such men as shall give us a measure which shall most effectively restrain the liquor traffic and lessen its evils within the Province."

June 30.—The official figures for year ending at this date show Canadian Excise duties of $13,126,593 derived as follows : spirits, $6,672,-149 ; malt $1,137,556 ; tobacco $4,127,679 ; cigars $1,070,823 ; and the rest scattering. The quantity of spirits produced during the year is stated at 5,678,153 proof gallons as compared with 4,063,603 proof gallons in 1903 and the quantity exported as 180,291 proof gallons. The tobacco, snuff and cigarettes manufactured during the year are given as 13,418,306 lbs. in weight and the number of cigars as 183,048,907.

July 23.—The Grand Priory of Canada, Knights Templars, meeting in Brockville, re-elects the Hon. Wm. Gibson as Supreme Grand Master, and Mr. J. B. Tressider of Montreal as his Deputy.

Aug. 21.—The Maritime Provinces Baptist Association passes the following Resolution :

1. That this Convention again records its endorsation of the principles of total abstinence for the individual and a Prohibitory law for the Dominion.

2. That all our Church members by precept and example try to influence others to abstain from the use of intoxicants as a beverage.

3. That we do our best to elect to office men who are total abstainers as well as possessing other qualifications.

4. That we give our sympathy and practical support to officers in executing the law.

5. That this Convention does not approve of the Gothenburg system.

6. That for Prohibition the people throughout Canada will continue to work and pray.

7. That we are grateful to know that so many of our churches use the unfermented wine at the Lord's Supper.

Sept. 13.—At a Temperance meeting in Toronto it is proposed to urge the City Council to give the electors an opportunity to vote along "Local Option" lines. Mr. F. S. Spence, however, points out that a bad defeat would probably follow as the voters would not stand for Prohibition in the City and free sale in the Province generally. Lately, he had investigated the January Local Option vote in ten out of thirteen municipalities and found that the Temperance vote had decreased 3½ per cent. since the Referendum and the Liquor vote gained 133 per cent. He moved the following Resolution which carried after some sharp discussion: "That this meeting is of opinion that it would be wise to secure the adoption of Local Option by-laws in a number of other municipalities before commencing a campaign in Toronto, and earnestly urges all friends of the Temperance cause to do their best to secure the submission of Prohibitory by-laws wherever there is good reason to hope for their adoption."

Oct. 1.—The reply of the New Brunswick Government to the recent Temperance delegation is made public. They favour the policy of refusing licenses in districts where public opinion is strong enough to ensure enforcement of the law. But not otherwise. "The Committee of Council does not feel that a Prohibitory law can be satisfactorily enforced throughout the Province and in the opinion of the Committee it is unwise to place among the statutes any law which cannot be enforced. Such a course would certainly tend to bring about a disregard for other laws necessary for the well-being of society. We would call your attention to the fact that the Canada Temperance Act from which so much was expected and which has undoubtedly produced good results in certain localities, more especially in the rural districts, is in many places. particularly in cities and towns, openly violated, and in some places by the tacit consent of the local authorities—the payment of fines periodically exacted having taken the place of fees under the License Act."

Oct. 13.—The Provincial Synod of the Church of England in Canada, meeting in Montreal, passes the following Resolution moved by Hon. S. H. Blake and seconded by Rev. J. P. Lewis, with only four opponents:

"That this Synod deplores the evils resulting from the abuse of intoxicants, and most earnestly urges upon the clergy and laity the importance of studying and promoting all means of Temperance reform, and emphasizing the value of the Church of England Temperance Society as one means towards this end. This Synod further pledges itself to use all possible means to procure the closing of the saloons throughout the Dominion, and to restrict the number of other liquor licenses that are issued thereon."

Oct. 28.—The *Pioneer* gives the following table of the Referendum vote in 1902 and the Local Option vote in 1904 in 13 Ontario Municipalities:

	Referendum. For.	Agst.	Maj.	Local Option. For.	Agst.	Maj.
Thurlow	527	139	388	343	369	26
York	811	636	175	596	972	376
Innisfil	521	79	442	273	338	65
Majorities against						467
Toronto Junction	610	275	335	869	679	190
Blenheim	193	45	148	261	258	3
Raleigh	368	158	210	522	463	59
Harwich	585	117	468	678	351	327
Cartwright	308	84	224	284	111	173
Fenelon	299	48	251	231	97	134
Lansdowne	373	105	268	360	260	100
Niagara	164	114	50	224	208	16
Euphrasia	530	42	488	332	276	56
McLean and Ridout	67	24	43	74	59	15
Total	5,356	1,866	3,490	Majorities for		1,073
				Total vote	5,047	4,441	....
				Net majority for			606

VIII.—CRIME AND MORAL CONDITIONS

Jan. 1.—The Report on Criminal Statistics for the year ending Sept. 30th, 1903 shows the following charges and convictions:

Provinces.	Charges.	Convictions.	Convictions to Charges
Prince Edward Island	53	38	71·07
Nova Scotia	672	444	66·07
New Brunswick	243	155	63·80
Quebec	2,086	1,676	80·34
Ontario	4,451	2,884	64·80
Manitoba	476	381	80·04
British Columbia	803	516	64·26
Territories and Yukon	838	427	67·77
Total	9,622	6,521	50·95

Quebec, Manitoba and the Territories show a larger percentage of convicted criminals in 1903 than in 1902 and the total charges for the Dominion an increase of 1,075 with additional convictions of 861. The number of women convicted of indictable offences is 6·19 per cent. of the whole. In the matter of birth-places 277 came from England and Wales, 167 from Ireland, 126 from Scotland, 4,305 were born in Canada, 309 came from the United States and the rest scattering. In 1903 there were 1,324 convictions in the three Western Provinces of which only 217 were not from the Empire or the States while 358 were not defined. By denomination the Roman Catholics led with 39·2 per cent. and the Anglicans followed with 15·1 per cent. Of the classes of crime 62·22 per cent. were offences against property without violence. 1,921 of those convicted are said to be "intemperate" and 77·64 per cent. to be in some degree educated.

Jan. 10.—The long and vigorous crusade in Winnipeg against the social evil wins in a police raid upon the segregated area and in subsequent proceedings against all concerned.

Mar. 23.—In connection with certain proposed anti-cigarette legislation in the House of Commons, Mr. R. L. Borden points out the difficulty in the way of preventing boys from getting paper and tobacco and rolling their own cigarettes and the desir-

ability of in some way controlling the growth of this deleterious habit amongst youths. He would prohibit the sale of cigarettes to those under a certain age, admonish them when guilty of a first infraction of the law, punish a second and, perhaps, send to the Reformatory those in whom the habit becomes incurable. Sir Wilfrid Laurier thinks the habit only injurious to boys; speaks of the influence of women in teaching and educating the young as better than legislation; and declares the matter, in any case, to be within the jurisdiction of the Provincial Legislature. The vote on the 2nd reading of the Bill—afterwards thrown out in the Senate—is 52 to 28.

May 30.—Major W. Archibald, Prison Gate Secretary of the Salvation Army, makes public his Report for the year ending Sept. 30th, 1903. He states the parole or license system to have proved a source of strength and an incentive to reformation in many former prisoners; places the number of men aided by the Army Prison Gate mission at 631 with 514 put in situations on the day of release; gives the work of the Army's free labour bureau as including 397 men for whom permanent employment was found and 930 who were given temporary employment; deprecates the growing and serious condition of juvenile criminality which included 32·7 per cent. in the year of the entire crimes of the country; denounces the lack of parental control and counsel over boys, the trashy and degenerate reading which they are allowed to buy, the debasing theatrical billboards, the evils of cigarette smoking and the dangers of the city parks to the young. He gives the following table for the years 1885-1902:

Juvenile Criminals committed for Indictable Offences, 1885-1902.

Provinces.	Under 16 years.		16 years and under 21.	
	Male.	Female.	Male.	Female.
Ontario	7,228	302	7,877	744
Quebec	3,159	216	3,282	302
Nova Scotia	522	19	610	50
New Brunswick	266	7	273	20
Manitoba	307	12	430	36
British Columbia	317	3	325	22
Prince Edward Island	101	1	73	11
North-West Territories	36	..	148	7
Total	11,936	560	13,018	1,192

June 30.—Of the 1,328 criminals in the Penitentiaries of Canada, 1,094 are of British nationality and the rest scattering from 134 United States citizens downward. 863 are single and 426 married; 223 are abstainers, 619 temperate, and 486 intemperate; 213 cannot read or write and 99 can read only; 662 are Roman Catholic in faith, 251 Church of England, 139 Methodist, 116 Presbyterians, the rest scattering and including 11 Buddhists and 5 Mormons.

June 30.—The Report of the Minister of Justice for the year ending at this date shows 1,286 as the average daily population of the Penitentiaries as against 1,224 in 1902-3. Those in custody on this date number 1,328. The Report of the Inspectors—Messrs. Douglas Stewart and G. W. Dawson—makes a strong argument for a penological reform in which indefinite sentences as to length shall be substituted for defined periods of punishment. Their reasons are given as follows:

(1) It would provide a safeguard to the delinquent against the undue severity of his sentence, and to society against the inadequacy of the period of restraint.

(2) It would enable the convict to realize that the key to freedom is in his own hands and that the only possible hope of future liberty depends upon his being amenable to advice and discipline until he shall have convinced the authorities of his sincere determination to be law-abiding.

(3) It would obviate the abuses arising from attempts to "make the punishment fit the crime," and enable the adoption of the more correct principle of making the period of restraint fit the criminal.

(4) It would give perpetual protection to society against the determined and incorrigible criminal; instead of the intermittent protection afforded by the existing system.

(5) The fitness of the delinquent to re-assume full citizenship would be determined only after a reasonable period of observation, and by one authority, upon uniform principles; thus obviating the scandal and hardship that arises from the inequality of sentences, imposed in advance, by jurists of diverse opinions, each acting upon his individual view of penal requirements.

Nov. 30.—In his annual Report for the year ending at this date Commissioner A. Bowen Perry of the Royal North-West Mounted Police states that there are now 39 officers and 475 non-commissioned officers and constables in the Territories. The encroachments of United States cattle, the protection of timber reserves, the issuing of supplies and giving of temporary shelter to colonists, the reception of 1,505 prisoners in the guard-rooms during the year, the escort of convicts to the Penitentiary and of insane persons to the Asylum, the stopping of smuggling and illicit traffic, the work of the veterinary department in dealing with glanders in cattle and inspecting horses and cattle, are given as amongst their duties. The arrests entered during the year numbered 4,329 and the convictions 3,465. Of the latter 1,312 were offences against religion and morals. In 1903 the total convictions were 3,315 in number.

Dec. 7.—In addressing an audience at Ottawa on "The Church and Athletics," the Rev. A. W. McKay describes how the athletic contests of ancient times developed pluck and endurance and then degenerated into the gladiatorial fights of the arena. To-day the amateur sports of this country, as originally practised in England, are degenerating from honourable and manly games into unfair and demoralizing professional exhibitions where injury to an opponent is often inflicted and encouraged by the spectators.

XIV.—EDUCATIONAL AFFAIRS

The Rhodes Scholarships in Canada

During 1904 and the preceding year Dr. G. R. Parkin, C.M.G., traversed Australia, New Zealand, Canada, Newfoundland, South Africa and the United States in his work of organizing the Rhodes Scholarships for Oxford University and in 1904 the first contingent of eight was selected by Canadian Universities in affiliation with Oxford, or by special Provincial Committees such as that in British Columbia consisting of Chief Justice Hunter, Mr. Justice Duff and Mr. Alexander Robertson, Superintendent of Education, or in Prince Edward Island composed of the Lieutenant-Governor, Chief Justice Sullivan and the Chief Superintendent of Education. The following were the tests for a scholar prescribed by Mr. Cecil Rhodes in the now famuous Will:

1. His literary and scholastic attainments.
2. His fondness for and success in manly outdoor sports, such as cricket, football, and the like.
3. His qualities of manhood, truth, courage, devotion to duty, sympathy for and protection of the weak, kindness, unselfishness, and fellowship.
4. His exhibition during school hours of moral force of character and of instincts to lead, and to take an interest in his schoolmates.

Mr. Rhodes also suggested that the second and third points should be decided in any school or college by the votes of fellow-students and the fourth by the head of the school or college. The eight scholars selected in Canada during 1904 were as follows—Mr. Rose in Montreal being included under certain exceptional circumstances:

Province	Selected by	Rhodes Scholar
Nova Scotia	Dalhousie University	Gilbert S. Stairs, B.A.
Quebec	McGill University	John Gordon Archibald, B.A.
Quebec	McGill University	Herbert J. Rose, B.A.
Prince Edward Island	Committee	William E. Cameron, B.A.
British Columbia	Committee	A. W. Donaldson.
Manitoba	Committee	John MacLean, B.A.
North-West Territories	Committee	Ralph V. Bellamy, B.A.
New Brunswick	University of New Brunswick	Chester B. Martin, B.A.
Ontario	University of Toronto	Ernest R. Paterson, B.A.

General Educational Conditions and Questions

The Dominion Educational Association met in Winnipeg on July 26-29 with Mr. D. J. Goggin, M.A., D.C.L., presiding and discussed various questions of the day. It was welcomed to the capital of Manitoba in a formal address by the Hon. J. H. Agnew, Provincial Treasurer, and passed Resolutions during the next four days which may be summarized as follows:

1. Declaring that all High Schools should be free, with no imposition of fees to act as barriers to the privileges of secondary education.
2. Proclaiming the formation of character as the chief aim to be kept in view in the school. "Knowledge and education are not identical. Moral training should form the most important part of the teacher's duties."
3. Drawing the attention of Canadians generally, and Provincial and Municipal authorities especially, to the importance of liberality toward Education as lying at the basis of democratic institutions.
4. Urging Patriotism as a prominent feature in school instruction but not the setting forth of military achievements as the chief factor in the greatness of nations. "Children should be trained in all those habits which promote good citizenship and taught to realize that the highest examples of courage, self-control, and usefulness are not associated with war."

A Committee was appointed to collect statistics as to the salaries of teachers and appreciation was expressed of the generous donations by Sir W. C. Macdonald of Montreal to the cause of Education in Canada. Mr. John Millar, B.A., Deputy Minister for Ontario, was elected President, Principal W. A. McIntyre, B.A., of Winnipeg, Vice-President and Dr. D. J. Goggin Secretary. In his Presidential address Dr. Goggin dealt with the question of teachers' salaries and of a condition in which: "We used to have men and women in charge of our public schools. Now we have boys and girls—mainly girls." The percentage of female teachers was stated as 82 in Nova Scotia, 74 in Ontario, 66 in Manitoba and 54 in the Territories. He declared that, in the elementary classes, women did better work than the average man. "But boys from 12 years of age upwards need a man's guidance and control to develop them properly." He gave the following table as to salaries paid yearly in public schools:

Province.	Men.		Women.	
	2nd Class Certificates.	3rd Class Certificates.	2nd Class Certificates.	3rd Class Certificates.
Prince Edward Island	$236 00	$189 00	$188 00	$144 00
Nova Scotia	253 00	188 00	230 00	167 00
New Brunswick	291 00	199 00	247 00	186 00
Ontario	265 00	325 00	275 00	225 00
North-West Territories	471 00	375 00	448 00	416 00

An inter-Provincial question was settled during the year in the matter of McGill University's application to the Ontario Minister of Education for its honour graduates to be given special teaching certificates in Ontario schools. On February 12th the Hon. Mr. Harcourt made public the majority and minority Reports of the Committee which had been appointed to consider the question. The former was signed by President Loudon of the University of Toronto, Chancellor Burwash of Victoria University

and the Rev. Professor Clark of Trinity. It drew attention to the Department's desire to secure a supply of first-class teachers for colleges and high schools and to the necessity for a uniform standard of qualification and the unsatisfactory nature of the present system. The Report recommended that all specialists be honour graduates of some University in His Majesty's Dominion; that they should pass an examination prescribed by the Department in their special subjects and a professional examination at the close of their year's work at the Normal College, and that the Board for conducting such examinations should be selected from University men of the highest standing. The examination should be of a general and practical nature, and not based on a detailed curriculum or prescribed text-books.

The minority Report, signed by Chancellor Wallace of McMaster and Prof. A. P. Knight of Queen's University, approved the existing system and declared that the preparation of any detailed curricula for the proposed examinations would affect those of all the Universities and destroy the freedom, variety and individuality of teaching. It recommended that as soon as McGill had submitted honour courses suitable for specialists and approved by the Education Department, its request should be granted and the privilege should be extended to other Universities in His Majesty's dominions as they applied.

In June a Conference took place between representatives of McGill and officials of the Ontario Education Department. To the Montreal *Herald* of June 29th, Prof. C. E. Moyse, LL.D., described the result as most satisfactory. "The curriculum of McGill had been examined and, in certain departments, little change would have to be made to comply with the demands of the Province of Ontario. In others there would have to be, to a certain extent, a blending of McGill courses, and possibly, to a limited extent, the establishing of new ones. This applied particularly to the departments of English, of History, and of Natural Science. On the whole it seemed that the work at McGill was too specialized, particularly in science, to meet the requirements of schools where a specialist was often called on to teach several subjects." In August the Departmental regulations of Ontario were made to apply to any University in Canada, instead of in Ontario only, and a final conference as to details took place in December with the result that remaining courses at McGill were stated to have been brought into harmony with Ontario's requirements.

Education in Ontario during 1904

During the year there was much discussion in educational circles as to the proposed new programme of studies which had been printed and circulated by the Department of Education in 1903 for consideration by those specially concerned. The Ontario Educational Association in April discussed keenly and particularly the draft regulations substituting science for language-training in the high school courses for public school teachers.

The special matter of Latin was fought over with an eventual classicist victory. The Council of University College, Toronto, met on Apr. 1st and declared the elimination of classical study to be "contrary to the best interests of education" and as resulting prejudicially to the teachers in preventing them from taking it up at the necessary age and in this way excluding them from the University. "Sound educational opinion maintains that for the teaching of English the knowledge of another language (Latin for preference) is most useful, if not indispensable." The proposed policy would accentuate what critics at home and abroad had already described as "the lack of scholarship and low standard of liberal culture in Ontario." It was not wise, either, to force pupils differing in mental aptitudes into a curriculum of one type and, finally, a strong protest was made in the following connection:

> **This Council wishes to emphasize the fact that the University is part and parcel of the educational system of the Province, the repository of the highest knowledge, and the final arbiter of matters connected with education. The University therefore has a right to demand, and it does demand, that in framing any course of secondary education, whether for teachers or for any other class in the community, the University authorities shall be consulted, and that no regulations shall be adopted that do not refer to the opinions of those authorities as to what right culture is, or that make it more difficult for the youth of the Province to seek in the halls of the University that knowledge and culture which it is its main function to impart.**

The Senate of Victoria also reported upon the subject and summarized the underlying object of the voluminous details submitted as indicating the desire to secure a large extension of nature study and of manual training in the Public Schools. It took high ground in favour of Latin: "Nothing, we believe, will so effectually reduce the number of first-class teachers and of teachers with some University training, as the proposed regulations requiring a foreign language of the first-class teacher, while omitting it from the courses for the second-class teacher. The plan since suggested of making the foreign language a bonus subject does not appear to be a satisfactory solution of the difficulty." There did not appear, either, to be any crying need of such elaborate courses in nature study and manual training as were proposed. "We have no crowded city slums, we have no large class of pampered children of the rich. There are comparatively few who do not get, in their home lives and their surroundings, and in many an incidental lesson connected with their school work, considerable training in these directions." What was needed was better teaching of the present subjects and not additions to the course. Public School education should be a preparation for life and not preparation for making a living.

Finally, the Regulations, as revised by the Minister of Education and approved on Aug. 17th by the Ontario Government, were made public. They may be briefly summarized as (1) making Latin optional for the junior non-professional examination and

obligatory for the senior one; (2) placing more general power in the hands of Inspectors and teachers; (3) raising the standard of marks necessary in examinations from 34 to 40 per cent. on each subject and from 50 to 60 per cent. on the grand total; (4) arranging for the testing of Normal College students on various subjects so that any one obtaining his professional certificate would be an "all-round" scholar; (6) recognizing McGill students or those of any other Canadian University, with at least second-class honours and in attendance on lectures for two years, as entitled to the non-professional standing of specialist in Ontario; (7) recasting the Public School work so as to include nature study, manual training, and household science and the encouragement of thought rather than of memory; the introduction of mediæval history into the highest forms of the High Schools.

In May, 1905, the Report of the Education Department for the year ending Dec. 31st, 1903, was made public and the following tables afford summaries of its statistics:

I. Public Schools.

Number of Public Schools in 1903	5,734
Number of enrolled pupils in the Public Schools	403,161
Average daily attendance of pupils	230,730
Percentage of average attendance to total attendance	57·2
Number of persons employed as teachers (exclusive of Kindergarten and Night School teachers) in the Public Schools; men, 2,062; women, 6,498. Total	8,560
Number of teachers who attended Normal School	4,795
Number of teachers with a University degree	85
Average annual salary of female teachers	$324
Average annual salary of male teachers	$465
Amount expended for Public School-houses	$347,955
Amount expended for teachers' salaries	$3,096,132
Amount expended for all other purposes	$1,209,463
Total amount expended on Public Schools	$4,653,550
Cost per pupil (enrolled attendance)	$11.54

II. Roman Catholic Separate Schools.

Number of Roman Catholic Separate Schools	412
Number of enrolled pupils of all ages	47,117
Average daily attendance of pupils	29,538
Percentage of average attendance to total attendance	62·69
Number of teachers	896
Amount expended for School-houses	$80,862
Amount expended for teachers' salaries	$213,861
Amount expended for all other purposes	$129,596
Total amount expended	$424,319
Cost per pupil (enrolled attendance)	$9.01

III. High Schools.

Number of High Schools (including 41 Collegiate Institutes)	135
Number of teachers	619
Number of pupils	25,722
Average annual salary, Principals	$1,220
Average annual salary, Assistants	$875
Average annual salary	$950

Highest salary paid	$2,900
Amount expended for teachers' salaries	$571,559
Amount expended for school-houses	$48,723
Amount expended for all other High School purposes	$195,800
Total amount expended	$816,082
Cost per pupil (enrolled attendance)	$31.72

Public Instruction in Quebec

In his Annual Report for the year ending June 30th, 1903, and dated Mar. 1st, 1904, the Quebec Superintendent of Public Instruction pointed out: (1) that as the population of the Province is steadily increasing with a stationary grant to the schools, the result was that the vote per 100 persons which in 1881 was $11.77 and in 1891 was $10.74 is now (Census of 1901) only $9.70; (2) that an increase in the annual grant to the Municipalities was very desirable; (3) that many new and fine-looking school-houses were being erected in the Municipalities under plans supplied free by his Department; (4) that the district conferences of school teachers were proving successful and were attended regularly by the lay teachers as well as by a great many Nuns.

In connection with the Protestant schools M. Boucher de la Bruère pointed to the lack of public support in the matter of manual training, to the absence of effort in the direction of consolidating rural schools, and to the difficulty of obtaining the increased school tax from the ratepayers. "It often appears that ratepayers whose means are relatively large and who have no children of age to attend school threaten to withdraw their declaration of dissent and to pay their school taxes to the organization of the majority when the taxes levied by the latter are notably lower than those called for from themselves." The Reports of the School Inspectors for the year were not altogether pleasant reading. The scarcity of teachers, the employment of young teachers without diplomas, the parsimony of school boards and the miserable salaries offered for instruction, the deplorable condition of school-houses and furniture, the lowering of already small salaries by school boards in order to meet the order of the Council of Public Instruction that heating expenses be defrayed by the local authorities, the steadily diminishing number of teachers and the employment of teachers at sums running as low as $50 and $60 a year, were amongst the matters mentioned as regrettable. The following table affords a general statistical view of the educational affairs of the Province for the year ending Dec. 31st, 1903:

I. Roman Catholic Elementary Schools.

Schools under control of Commissioners	4,340
Independent Schools	47
Roman Catholic Pupils	176,799
Protestant Pupils	587
Average Attendance	123,189
Male Lay Teachers with diplomas	27
Male Lay Teachers without diplomas	7
Female Lay Teachers with diplomas	3,956

Female Lay Teachers without diplomas	635
Male Teachers in Orders	131
Number of Nuns teaching	431
Average Salary :	
1. Male Lay Teachers with diplomas—	
In Towns	$340
In the Country	$238
2. Female Lay Teachers with diplomas—	
In Towns	$158
In the Country	$113

II. Protestant Elementary Schools.

Schools under control of Commissioners	640
Schools under control of Trustees	244
Independent Schools	3
Protestant Pupils	25,441
Roman Catholic Pupils	2,230
Average Attendance	19,855
Male Lay Teachers with diplomas	24
Male Lay Teachers without diplomas	3
Female Lay Teachers with diplomas	926
Female Lay Teachers without diplomas	157
Number of Teachers in Orders	4
Average Salary :	
1. Male Lay Teachers with diplomas—	
In Towns	$1,168
In the Country	$415
2. Female Lay Teachers with diplomas—	
In Towns	$369
In the Country	$153

III. Roman Catholic Model Schools and Academies.

Model Schools under control of Commissioners	367
Independent Model Schools	144
Pupils in Model Schools under Control	62,314
Pupils in Independent Model Schools	15,859
Roman Catholic Pupils	77,859
Protestant Pupils	314
Average Attendance	63,495
Academies under Control of Commissioners	44
Independent Academies	105
Pupils in Controlled Academies	16,185
Pupils in Independent Academies	17,366
Roman Catholic Pupils	33,034
Protestant Pupils	517
Average Attendance	28,994
Grand Total of Pupils in Model Schools and Academies	111,724
Male Lay Teachers with diplomas	202
Male Lay Teachers without diplomas	11
Female Lay Teachers with diplomas	362
Female Lay Teachers without diplomas	98
Male Religious Teachers	841
Female Religious Teachers	2,401
Average Salary :	
1. Male Lay Teachers with diplomas—	
In Towns	$602
In the Country	$345
2. Female Lay Teachers with diplomas—	
In Towns	$164
In the Country	$138

IV. Protestant Model Schools and Academies.

Model Schools under control of Commissioners	44
Protestant Pupils	3,418
Roman Catholic Pupils	201
Average Attendance	2,832
Academies under Commissioners	27
Independent Academies	2
Protestant Pupils	5,522
Roman Catholic Pupils	261
Average Attendance	4,758
Grand Total of Pupils in Protestant Model Schools and Academies	9,402
Male Lay Teachers with diplomas	59
Male Lay Teachers without diplomas	14
Female Lay Teachers with diplomas	247
Female Lay Teachers without diplomas	13
Number of Religious Teachers	4
Average Salary :	
1. Male Lay Teachers with diplomas—	
In Towns	$1,054
In the Country	$627
2. Female Lay Teachers with diplomas—	
In Towns	$391
In the Country	$255

V. Roman Catholic Classical Colleges.

Number of Colleges	19
Pupils in Commercial Course	2,417
Pupils in Classical Course	3,757
Average Attendance	5,694
Number of Lay Professors	32
Number of Religious Professors	527

For the whole Province the total number of schools was 6,261; the male teachers numbered 2,550, the female teachers 9,372, the pupils (boys) 176,079 and (girls) 169,643, with an average attendance of 257,397. The total number of clergy teaching in colleges and schools was 575, the number of religious brothers so engaged was 1,034 and the number of Nuns 2,932—a total of 4,541. The average salary of the male teachers (with diplomas) throughout the Province was $606 and of the female teachers $141. The total cost of Education during the year was $3,471,988—of which $1,510,071 came from the annual taxation of Municipalities, $164,195 from special taxation of the same source and $260,847 from monthly contributions of Municipalities; $156,761 from the Government grant for public schools, $57,826 from the Government grant for superior education and $23,326 from Government aid to poor Municipalities. The sum of $1,298,961 was chargeable to the maintenance of independent and subsidized institutions. The value of school-houses, furniture, etc., was placed as an Asset at $14,119,493 and the value of taxable real estate in the Province at $392,352,735.

Popular Education in the Maritime Provinces

The Annual Report of the Superintendent of Education in Nova Scotia for the year ending July 31st, 1904, showed 240 school sections without a school—61 more than in 1903—and due mainly to the feeling amongst teachers that their profession was not being fairly dealt with by rural school boards. Except in this respect and in a decreased attendance caused by the unusual prevalence of epidemics and the brisk demand for labour there was a decided advance in educational affairs. The consolidation of school sections was progressing satisfactorily; new school buildings of improved design and equipment were going up in every part of the Province; manual training, school gardens and school libraries were all advancing. The following table gives the chief statistics of the year:

School Sections in Province	1,817
Sections without Schools	240
Schools in Operation	2,353
Total Number of Teachers	2,441
Number of Normal-trained Teachers	1,054
Total Male Teachers	388
Total Female Teachers	2,053
Number of New Teachers	344
New Licenses Issued to Teachers	759
Pupils in High School Grades	6,995
Total annual Enrolment of Pupils	96,886
Average Attendance	54,000
Value of Property in School Sections	$96,630,393
School Property in Sections	$1,890,163
Vote at Annual Meetings	569,745
Volumes in School Libraries	21,904
Total Provincial Expenditure on Education	$268,903
Total Municipal Expenditure on Education	146,382
Total Section Assessments	569,745

In his comments upon the educational condition of the Province Dr. A. H. MacKay reported a lack of attention to slow, irregular or mentally defective pupils and suggested in the larger towns a special department of study for this class; expressed a sense of the improvement in writing during the year and stated that in over a thousand schools some High School work was being done; favoured the continuance of the present system in this latter respect but suggested that in County Academies one teacher should have a classical license; described the formation of military Cadet Corps as increasing and favoured the provision of free text-books for students at the Provincial Normal School; regretted the decrease in Normal-trained teachers during the year as a result of demands from abroad for Normal School graduates; referred to the engagement of Mr. T. B. Kidner to supervise the Mechanic Science and Domestic Science Schools at Truro; and described the establishment of the Provincial Agricultural College at Truro with its absorption of the local School of Agriculture and the Wolfville School of Horticulture and the appointment of Mr. Melville Cumming as its Principal.

In New Brunswick Dr. J. R. Inch, the Superintendent of Education, reported for the year ending June 30th, 1904, that 400 school districts were without schools of any kind during one, or other, or both terms of that period ; that in many other districts the Trustees and ratepayers appeared utterly indifferent to the fact that 370 teachers were employed when half the number would have done better work if the children could have been congregated in half the number of schools ; that in many cases actual obstruction and opposition met the effort to afford the children better opportunities ; that what was needed was (1) rural consolidation of schools, (2) assessment of all property in a parish at uniform rates for the support of all the schools instead of a district assessment for local support, (3) substitution of parish school boards for the existing system of small districts under the control of local trustees. The following statistics were given for 1903-4 :

	1st Term.	2nd Term.
Number of Schools	1,747	1,722
Number of Teachers	1,815	1,816
Number of Pupils	56,198	58,759
Proportion of Population at School	1 in 5·89	1 in 5·63
Number of Boys (pupils)	27,559	29,892
Number of Girls (pupils)	28,639	28,867
Average attendance	38,485	36920
Provincial Grant for Schools		$156,982
District Assessments		380,000
County Fund		94,835

Average Salaries of Male Teachers in Common Schools:

1st Class, 1903	$522 86	1904	$542 67
2nd Class, 1903	291 22	1904	302 42
3rd Class, 1903	199 77	1904	232 17

Average Salaries of Female Teachers in Common Schools:

1st Class, 1903	$328 21	1904	$329 13
2nd Class, 1903	237 34	1904	240 75
3rd Class, 1903	186 30	1904	190 71

In connection with the Provincial Normal School Report, Principal Crocket described the enrolment as 308 of which only 37 were young men. The tendency was still further downward in the latter respect and this he keenly deprecated. "Unless a change for the better speedily takes place our whole educational system must deteriorate. No State system can be maintained in a healthy and vigorous condition where nearly 90 per cent. of the teachers are females. Female teachers are by nature adapted for primary grades, where their services are indispensable, and for grades as high perhaps as the sixth, but beyond this stage the pupils need, for the development of a manly character, the influence of a firmer discipline."

In Prince Edward Island Dr. Alexander Anderson, Chief Superintendent of Education, made a Report for the year 1904 which showed no marked changes except an increase of ten in

the vacant schools and a gradually-growing addition to the salaries of the teachers so far as they were voted by school meetings. In 112 districts this supplementary grant was increased during the year. The matter had indeed become urgent. "To fail in adequately supporting public education," declared Dr. Anderson, "is suicidal. Constant change of teachers, recurring periods when the school is closed, teachers lacking in experience and sometimes far from desirable, have a fatal effect upon the character and progress of the pupils." All these and many other evils were resulting from the low salaries paid. Many of the best teachers were giving up the profession and, outside of Charlottetown and Summerside, no teacher or Principal of a school received more than $425. The Superintendent also drew attention to the lack of ventilation, etc., in some of the City schools, to the hundreds of boys playing around the streets and wharves during the school hours, and to the collateral fact that in the City schools less than 1,800 children out of about 2,500 were receiving any education. Statistics for the year were as follows:

Number of School Districts	473
Number of Schools	480
Number of School Departments	590
Number of Schools Vacant	28
Teachers Employed	562
Number of Male Teachers	268
Number of Female Teachers	294
Pupils Enrolled	19,031
1. Boys	10,259
2. Girls	8,772
Average Attendance	11,722
Proportion of Population at School	1 in 5
Government Expenditure upon Schools	$121,695
Supplement paid Teachers by Trustees	15,725
Expended by Trustees for School Buildings	9,458
Contingent Expenses for School Buildings	21,884

Average Salaries.

	Prince County.	Queen's County.	King's County.
1. Men.			
1st Class	$316 50	$366 21	$273 67
2nd Class	248 44	245 38	237 36
3rd Class	201 86	188 50	188 42
2. Women.			
1st Class	200 33	230 95	206 66
2nd Class	179 30	198 04	185 11
3rd Class	148 92	158 30	136 65

Education in Manitoba and the West

On Apr. 15th, Mr. F. W. G. Haultain, Commissioner of Education in the North-West Territories, presented to the Lieut.-Governor his annual Report for 1903. In it the Deputy Commissioner, Mr. J. A. Calder, referred to the increase of correspondence and business, of school districts and requirements, following upon the rush of settlement into the country. During the year steps had been taken and the way prepared for a revision

in the course of studies and the authorization of a new set of readers and history text-books. The number of school districts increased by 166, the pupils enrolled by 5,750 and the grants to school districts by $58,206. The increase in attendance had been the greatest on record—from 18,801 in 1899 to 33,191 in 1903, with a percentage increase in the last-named year of 21.

A decided improvement in the construction of school-houses was reported, with all essential equipment in the great majority of the schools, and a general desire on the part of Trustees to do what was required. Special efforts had been made to meet the demand for new and qualified teachers by the Department, the Territorial Teachers' Association and the Territorial Normal School. No less than 444 licenses to new teachers had been issued during the year of whom nearly all took charge of schools. Mr. Calder pointed out in this connection that about one-third of their teachers annually dropped out of the profession. "To offset this drawback to educational progress there is but one remedy, namely, to place the status of the teacher on a sounder and more remunerative basis." The statistics of 1903 were as follows:

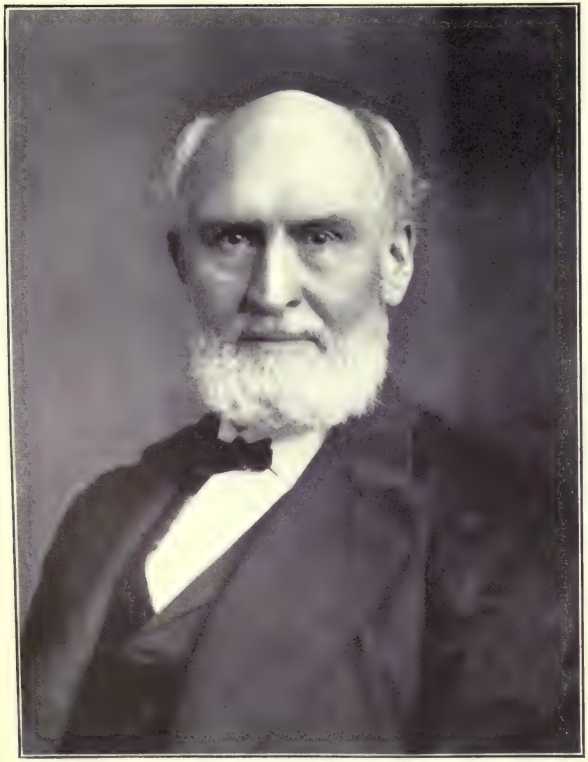
Number of School Districts	998
Districts with Schools in Operation	743
Departments in Operation	916
Pupils Enrolled	33,191
Average Attendance	16,321
Total Grants earned by School Districts	$191,477 00
Total Grants paid to School Districts	213,764 00
School Debentures authorized	210,760 00
Expended on Buildings and Grounds	192,235 00
Teachers' Salaries	399,688 00
Total Educational Expenditure	474,678 00
Average Salary per Month paid to all Teachers	47 67
Total number of Teachers employed during the year	1,152
Total number of Teachers employed at one time	916
Number of Volumes in School Libraries	13,840
Receipts of all School Districts in 1903	$1,154,875 00
Estimated Value of Land, Buildings, Furniture, etc.	1,075,450 00

Certificates Granted.

1. Interim	350	4. Non-professional	475
2. Professional	196	5. To Law Students	2
3. Provincial	82		
			1,105

In Manitoba the condition of Education for the year ending Dec. 31st, 1903, is indicated by the following table:

Legislative Grant to Schools	$154,317
Municipal Taxes for Schools	796,065
Number of School Districts Organized	1,290
Number of School Districts in Operation	1,163
Number of School-houses	1,166
Number of School Departments	1,584
Teachers' Salaries	$697,996
1. Average Salary in Cities and Towns	598 18
2. Average Salary in Rural Schools	451 39
3. Average Salary for Province	488 11
4. Highest Salary in Urban Schools	1,800 00
5. Highest Salary in Rural Schools	700 00



Sir William C. Macdonald.

The Donor of large sums of money to purposes of Agricultural Education in 1904 and preceding years.

Ian Campbell Hannah, M.A., D.C.L.

Appointed President of King's College, Windsor, N.S., 1904.

Number of Teachers attending Normal School	1,830
Teachers without Normal Training	264
Assets :	
1. Due from Municipal Councils	$ 594,973 00
2. Value of School-houses, etc.	2,093,408 00
Liabilities:	
1. Amount Due to Teachers	91,100 00
2. Debenture Indebtedness	994,014 00
Number of Pupils Registered	51,888
Average Attendance	36,479
Number of Teachers	2,094
Number of Male Teachers	628
Number of Female Teachers	1,466
Teachers with Certificates—	
1st Class, 261 ; 2nd Class, 853 ; 3rd Class, 591 ; Interim, 591.	

In British Columbia Mr. Alexander Robinson, Superintendent of Education, reported in October that the total enrolment of pupils in the high, graded and common schools of the Province for the year ending June 30th, 1904, was 25,787, or an increase of 1,288. Of the total 13,330 were boys and 12,457 girls. The average daily attendance was 17,060. High Schools, showing an enrolment of 981 of whom 600 were girls—preparing, no doubt, for teaching—were doing their work at ten centres and new ones were inaugurated during the year at Kamloops and Revelstoke. In the graded schools the enrolment was 16,968 of whom 8,849 were boys and 8,119 girls and the average daily attendance was 11,866. In the common schools the enrolment was 7,838 of whom 4,100 were boys and 3,738 girls with an average daily attendance of 4,520. The total number of teachers employed was 624 of whom 29 were in the high schools and 274 in the common schools. The cost of Education during the year included $453,313 spent by the Government and $144,451 expended by the 17 incorporated cities of the Province.

The Superintendent, in concluding his Report, claimed that the Government grants to the urban municipalities were altogether too large in proportion to the resources and requirements of the rural districts. The School Act in this respect should be revised. He deprecated the use of third-class certificates and declared that, as a result, the great majority of yearly additions to the teaching staff of the Province consisted of raw, untrained teachers, who were a source of continuous complaint and poor work; urged the attendance at Normal School as compulsory for any certificate, especially in view of the fact that the average monthly salary paid these teachers in rural places was $54.16; and deprecated the talk of organizing a Provincial University as entirely premature and unwise. He had recently visited the Eastern Provinces after an absence of 14 years and his conclusions as to the schools there were not very pleasant: "The social status of the teacher has not improved; his professional training has made little advance; in rural schools the male teacher has almost entirely disappeared; and the average rural salary has actually decreased."

MISCELLANEOUS EDUCATIONAL INCIDENTS

Jan. 1.—The annual Report of the President of Toronto University for the year ending June 30th, 1903,* shows the teaching staff to include, in Arts, 42 Professors and Associate Professors, in Medicine, 33 and in Applied Science 6. The Lecturers, Demonstrators, Instructors, etc., number 41 in Arts, 25 in Medicine, and 15 in Applied Science. The students in the B.A. course are 893 ; in that of Ph.D. 14 ; in that of Medicine 494 ; and in that of Applied Science 341. In affiliated Colleges they total 786—including the Ontario Agricultural College with 299 regular students and 429 occasional students ; the Royal College of Dental Surgeons with 211 students ; and the Ontario College of Pharmacy with 275 students.

Jan. 23.—The estimates of required expenditure for the current year, as presented by the University of Toronto to the Legislature, total $150,663—exclusive of departments sustained by the Government at an estimated cost of $42,449—and with available revenues of $116,871.

Feb. 9.—The General Assembly Commission meets at Kingston and finds that out of 28 Presbyteries, to which a Memorandum was sent on behalf of the General Assembly as to the retention of Queen's by the Presbyterian Church, 2 have not replied, 24 have favoured the maintenance of present relations and one is opposed to their continuance but suggests no alternative. Sixteen favour an appeal for financial support to the Church in general and 4 deprecate this action on the ground of the institution doing a secular work.

Feb. 19.—A debate in the Ontario Legislature brings out some interesting information as to Savings Banks in Schools. Mr. T. H. Preston states that they were introduced into the United States in 1885 and are now to be found in 797 schools of 85 cities and 21 States with a total deposit of $2,138,747 and withdrawals of $1,616,780. In Canada they were first established in Galt and Brantford and then in Ottawa, Winnipeg and Toronto. He asks for legal recognition of these institutions and their success is recognized and endorsed by both Mr. Harcourt and Mr. Whitney.

Mar. 23.—A very large deputation of several hundred persons waits upon Mr. Premier Ross, on behalf of the Provincial University, and urges the Government to grant funds for the erection of a new Physics Building, for the establishment of a mineralogical and geological museum and for meeting the expense of establishing a Faculty of Forestry. After various speeches the Premier intimates that nothing can be done at present though something may be possible in the near future as to the Physics Building.

Apr. 8.—In the *Globe* of this date appears the following insinuative editorial criticism of the University :

> " If there is deadwood and fossilism in the University—and it is neither a heresy nor a novelty to mention the words—then the sooner radical measures are proposed and courageous and steady action taken the better for the University. The leaven of indolence and inefficiency is too dangerous to be allowed to work unrestrained. There can be no true university spirit if there is no enthusiasm for the institution among the teachers and students. There can be no real enthusiasm without unity. There can be no unity except around the highest ideal. And there can be no commanding ideal so long as the conditions of the staff are unsatisfactory."

* NOTE—That for the succeeding year was not yet issued at date of writing (May 22nd, 1905).

To this President Loudon replies five days later and defends both the University and himself:

"You take no account of the fact, nor do you allow any credit for the fact, that the teaching of the University is more energetic and efficient to-day than at any period in its history, that the institution is held in high repute by those capable of judging the world over, and that during the last ten years the true ideal of university work has been developed." Some of the appointments were made by the Government.

Apr. 5, 6, 7.—The 43rd Annual Meeting of the Ontario Educational Association is held in Toronto, with Mr. David Young, of Guelph, presiding. In his address he deprecates the conditions under which girls and lads in their teens are filling the place of experienced teachers. Principal Peterson, of McGill, speaks in favour of the retention of Latin in the schools, and Principal Auden, of Upper Canada College, also addresses the Association. A Report is presented as to a recent deputation to the Minister of Education, in which Mr. Harcourt is stated to favour a superannuation fund and higher salaries for teachers, the introduction of the Metric system, and an additional public school representative on the Educational Committee. In the College and High School Department a Resolution is passed approving the teaching of a small amount of Latin as a compulsory subject for junior certificates; in the Training Section one is passed in favour of omitting Latin; in the Modern Language Department it is decided that Latin should be compulsory: in several other Sections a moderate amount of Latin is approved; and in the Report of the Committee dealing with proposed changes in the Public and High School courses it is urged that Latin be made optional for junior non-professional examinations, with the elimination of all other Classics; and it is ultimately recommended as a compulsory subject by a vote of 132 to 65 of the Association as a whole. Chancellor Burwash is elected President for the ensuing year.

Apr. 7.—At a meeting of the Council of the University of Manitoba the following letter is read from Lord Strathcona to the Rev. Dr. Bryce: "I have since given some consideration to the question of aiding the University work by an annual contribution such as you suggest, and I have decided to give in all $20,000 to be spread over four years, namely on the 1st October, 1904, $5,000; and an equal sum on the 1st of October, 1905; the 1st of October, 1906; and the 1st of October, 1907." The Report of a Committee appointed to consider the matter of new Professors is received and approved as follows:

1. That Professors be established in the University in botany (including geology), physics (including mineralogy and crystallography), chemistry, mathematics, physiology (including zoology); the Professors to devote their whole time to the work of their departments, and to receive salaries of $2,500.

2. That, provided that the Government be willing to pay the salary or transfer to the University the salary now paid to the Provincial Bacteriologist, a professorship of bacteriology (including pathology and histology) be established, the Professor to devote his whole time to the duties of his chair, and to receive a salary of $2,500.

Apr. 9.—A large gathering is held in Vancouver, presided over by Mayor McGuigan, for the purpose of considering the scheme of a Provincial University for British Columbia. It passes the following Resolution: "That this meeting approves of the principle embodied in the University Land Endowment Bill, as revised by the Committee, and submitted to this meeting, and respectfully urges the Government to introduce this Bill at the next session of the Provincial Legislature."

Apr. 11.—The Minister of Education explains to the Ontario Legislature his free school text-book policy. It will be confined at first to rural municipalities entailing a vote of $20,000 with a charge of half the expenses to the school sections. This grant, Mr. Harcourt explains, will counterbalance, in part, the large grants made to cities and towns for libraries and technical education. It would be an advantage in cheapening education, as in the Cities of Toronto, Hamilton and Brantford where the policy is in operation, the price of readers—to which the legislation was at present confined—had been reduced by municipal purchase from 25 to 35 per cent.

Apr. 19.—A spirited debate takes place in the Ontario Legislature upon the 3rd reading of the University amending Act increasing the powers of the President and instructing him to report to the Government as to his staff. The recent deputation is discussed and Mr. Whitney, the Opposition Leader, suggests that the feeling of the House be invited by the Government upon the question of increased grants. He accuses the Premier of unfriendliness to the institution :

"Toronto University was the only State university in Ontario, and the time had long since arrived when its needs should seriously be considered and a decision arrived at. In other countries similar institutions had steadily forged ahead, but not so the University. . . . The Opposition took the ground that unless the educational advantages are increased the Province will fall behind the times, and in the end Toronto University will be of no value. Young men will complete their education in other countries where the advantages are greater. There was no use delaying the matter any longer ; the situation was critical and demanded attention without the waste of any more time."

Apr. 23.—President Loudon of Toronto University writes to the *Star* approving the legislation as to his responsibility for appointments. Regarding a statement in the Legislature that in the past 25 years appointments had all been made with the approval of the President he says :

"My own Presidency covers about twelve years, or about one-half of the period referred to, and during these twelve years a considerable proportion of the appointments to professorships and associate-professorships have been made without a recommendation from me. During Sir Daniel Wilson's Presidency comparatively few appointments to the staff were made, but I recall a well-known instance in which his recommendation was completely ignored, and an appointment made of which he disapproved. To show that this practice of ignoring the recommendation of the President as regards appointments is not a novelty in the history of the University, I may say that during the last ten years of Dr. McCaul's Presidency several appointments were made without his recommendation."

May 4.—Commenting on the recent amendment to the University Act the *Globe* expresses the following clear view as to future conditions and President Loudon's responsibility :

"It is now made plain beyond dispute that his Presidential power and duty extend to reporting on the teaching staff, recommending appointments, promotions, or removals. In that is at once his opportunity and his responsibility. The course he will now adopt and his fidelity in following it will, to a large degree, determine the final success or failure of his Presidential career. In the light of the present situation, what does this opportunity mean ? It means that, from this day on, responsibility for the character and quality of the teaching staff of the University is laid immediately and undeniably on the President ; that it is his official duty to esti-

mate the defects and delinquencies in each department under his Presidential oversight, to report to the Minister of Education, and to recommend such changes as in his judgment are necessary in the best interests of the University. It means that or it means nothing. Having done that, the burden of responsibility is then shifted to the Minister and the Government."

May 12.—The Rev. Dr. J. E. Emery, O.M.I., Rector of the University of Ottawa, gives to the *Citizen* the following answer to various rumours as to French influence in the management of that Canadian institution:

"The University of Toronto can afford to be exclusively English and the University at Quebec exclusively French, but the University of Ottawa, situated as it is at the federal Capital, must receive both races; but any preference there exists is in favour of the English. This has been the case ever since the foundation of the University. It was established for the special purpose of giving the English-speaking Catholic youth the higher education that they could not otherwise obtain, except at an outside institution. The French-speaking youth were provided for, a fact which was recognized at the time our present University was founded. The commercial course is entirely English, and the course in theology, as must needs be, is in Latin. The scientific course is also in English, with French a mere detail; the new medical course will be entirely in English. There are full, distinct and separate Arts courses in both English and French."

May 15.—Speaking in St. John on behalf of King's College, Windsor, N.S., the Rev. S. Weston Jones makes some very clear-cut remarks: "The institution had originated under the most ennobling and elevating of circumstances, had given to the Empire many eminent sons, but despite such a lofty past her present condition could not afford very great gratification to the members of Anglican churches in the Maritime Provinces. Why was this? It was not because the College was at the point of collapse, it was not because she had no future, or that her ideals were not the proper ones, but it was due to lack of interest in her welfare shown by the great mass of Provincial Episcopalians. They had sunk into lethargy, there was an unmistakable luke-warmness about their solicitude, they lacked that exaltation shown by the early Christians. Whose fault was it if King's College had not kept abreast of the times? The fault lay with the Church people of the Maritime Provinces. They alone were to blame."

May 24.—The ceremony of laying the corner-stone of the new University of Ottawa Building is performed at the capital with much state and in the presence of, and with addresses from, His Excellency, the Governor-General (Lord Minto), His Eminence Cardinal Gibbons of Baltimore, Mgr. Sbarretti, Papal Delegate, Sir Wilfrid Laurier, Premier of Canada, the Hon. R. Harcourt, Ontario Minister of Education, and Archbishop Duhamel of Ottawa. Many Bishops, priests and educational and political leaders from various parts of the country are also present.

May 27.—Professor H. R. Reichel, a member of the British Moseley Educational Commission, is interviewed in Toronto and states that "it is in training colleges that the weak spot of the Canadian Educational system shows itself." He points to the Chairs of Education at Harvard, Columbia, Michigan and Chicago Universities and to the inspiration which they afford to the profession in the United States. Broadly speaking he considers the Canadian system to display the characteristics of British rather than American education.

June 3.—The Presbyterian General Assembly, meeting at St. John, receives from Principal Gordon the annual Report of Queen's University, Kingston. Its total attendance of students during the past year was 897 of whom 528 were registered in Arts, 38 in Theology, 216 in Medicine and 143 in Science—26 being registered in two Faculties. The expenditure of the year is reported at $68,500, showing a deficit of $10,907. The Principal then makes the following comment upon the situation: "Queen's has grown remarkably in the last twenty-five years. It had a larger attendance of matriculated students in Arts last year than University College, Toronto, and more also than McGill. But the staff of Queen's is weaker than McGill's. She is also very far behind in property and endowment. The marvel is that she has been able to do so much with such slender means. The revenue-bearing endowment is $560,000 and property in buildings, etc., $240,000; scholarship and fellowship funds, about $50,000; not much more than $800,000 in all." He urges the great importance of Queen's; the need of intellectual training being accompanied with spiritual ideals; the undesirability of a dull uniformity in University work and types; the development of spirituality without sectarianism and of a system which would continue to bring together men of all denominations within it; the necessity of the Assembly backing up its refusal of independence to the University by financial help and the vitalizing of the Church's connection with the institution. In the discussion which follows Rev. J. A. Macdonald pleads that nothing be done to hamper the support hitherto given by Presbyterians to the Provincial University at Toronto and Principal Patrick and Professor Falconer mention the claims of Manitoba College and other Presbyterian institutions.

June 4.—M. Boucher de la Bruère, Superintendent of Public Instruction in Quebec, issues a pamphlet grouping together three movements—(1) that of Mr. J. M. Harper, ex-Inspector of Protestant Higher Schools in Quebec, proposing the creation of a Department of Education at Ottawa, (2) the proposals of Dr. Roddick for a Dominion medical registration to be recognized by all the Provinces, (3) the plan of Principal Robins of the McGill Normal School for the creation of a Central Examining Board issuing certificates good in every Province of the Dominion. These projects M. Boucher de la Bruère declares to have been conceived as part of a well-developed plan to limit Provincial control of education and he denounces them as therefore inimical to Quebec interests.

July 26.—President Hannah of King's College, Windsor, N.S., in speaking at St. John, N.B., deals with the benefit to the community of small local colleges. Many men now educated and serving the Church would be still following the plow if it were not for these institutions. "The second great advantage of the small colleges lay in the greater individual attention which the Lecturer is able to give to the students. In large institutions it was seldom that a man could be found who could successfully look after all the students entrusted to his care. In this regard he was speaking from experience for at Cambridge, in one case, the class of which he was a member numbered about 700, which fact made it almost impossible for any one man to hold their attention."

Sept. 13.—A special correspondent of the Toronto *News* gives the following summary of school conditions in New Brunswick prior to the Settlement of 1877 between the Roman Catholic and Protestant sections:

"In the schools rented from the Church, there are none but Roman Catholic pupils. In the others none but Protestants.

In the one only Roman Catholic teachers are to be found ; in the others only Protestants. But all the teachers employed by the Board that administers the schools are qualified according to the standard set by the Superintendent of Education. The Christian Brothers have disappeared, and the male teachers in the Catholic schools are laymen, holding the requisite certificates. The ladies are all members of the Communities who attend the Normal School and obtain their standard before taking the vows. The teachers are faithful. . . . The Scriptures are regularly and frequently read in all the schools, but religious instruction in the form of catechism is not permitted. To overcome this regulation the schools which Catholic children attend are dismissed at three o'clock and an extra session convened immediately to study Roman Catholic doctrine. . . . When a vacancy occurs in the teaching staff of a school attended exclusively by Roman Catholics the Bishop nominates a teacher, and the Public School Board makes the appointment. All their schools are attached to churches. On the walls are hung the pictures and emblems of the Roman faith, while the walls of the Protestant schools are decorated with the King and Queen and British statesmen and generals. There is no friction between the different creeds over this arrangement. It works admirably."

Sept. 15.—The Montreal *Herald* draws editorial attention to an educational difficulty peculiar, perhaps, to that City : "The division of the city's school system into two branches, one of which is Protestant and English-speaking, the other Catholic and (largely) French-speaking, seemingly has the effect of leaving the English-speaking Catholics, who number about 40,000, in rather a bad way. Church discipline and legal distinction both prevent their taking advantage of the English-Protestant schools, and the necessities of the French schools militate against giving the children a good English education."

Sept. 27.—A large and representative meeting of the Trustees of Queen's University and of a special Commission of the General Assembly is held in Toronto with the Rev. Dr. Milligan in the chair for the purpose of organizing the movement for an increased endowment to the University. In view of the active support of men of other Churches such as Dr. R. V. Rogers, K.C., it is decided that the Presbyterian Church, while the leader in the canvass, will seek the aid of all friends and graduates of Queen's. Principal Gordon intimates that $500,000 is needed and will give an income of $20,000.

Sept. 28.—Mr. J. George Hodgins, M.A., LL.D., I.S.O., Librarian of the Education Department, Toronto, celebrates his 60th anniversary as a member of the Ontario Civil Service.

Oct. 20.—The Rev. Professor MacNaughton of Queen's University, speaking in Montreal to the Protestant Teachers' Association, deals trenchantly with the question of Latin in schools :

"Canada is at present in a condition of educational chaos. In Ontario, which boasts of its higher school system, the tangle is truly wonderful to contemplate. A certain dishonest pretentiousness is the characteristic note of the whole system. Recently regulations have been made which will prevent all teachers in the primary schools from learning any Latin. What sort of teachers of English will they make ? Canada is, however, still young. In the course of time she will grow out of her education measles. She will return to greater simplicity, and to the studies which the experience of centuries has improved and perfected. She will encourage her youth to take up the classics again and give them time to develop their studies along these lines thoroughly."

Oct. 20.—The following Resolution is unanimously passed by the Protestant Teachers' Convention meeting in Montreal:

"That inasmuch as there is a scarcity of qualified teachers throughout the Province, and as a result many unqualified persons are teaching in the schools; and inasmuch as the Protestant Committee has twice within the last two years seriously considered the advisability of granting permits to teach on local diplomas to persons without Normal School training, and whose only qualification to teach is that of having passed certain academic grades; and inasmuch as we learn from our representatives on the Protestant Committee that the matter will, in all probability, be again considered at an early date, we, the members of the Provincial Association of Protestant Teachers, in convention assembled, do hereby protest against anything that would lower the standard of teaching now required for the qualification of teachers, believing that the present difficulty does not arise from the fact that the standard is too high, but the salaries too low."

Nov. 15.—Mural Tablets are unveiled at the Montreal High School—the historic Royal Grammar School—in memory of pioneer educationalists of Montreal such as Alex. Skakel, George F. Simpson, H. Aspinall Howe, T. A. Gibson and David Rodger.

Nov. 21.—Archbishop Langevin issues a Pastoral Letter to his Clergy referring to the Manitoba School question and demanding justice, and imposing ecclesiastical penalties upon any Catholics who have supported existing conditions:

"You may add that if the Protestant minority of Quebec had been treated in school matters as the Catholic minority of Manitoba has been, not one Protestant throughout the Dominion would dare to repeat that the question is settled; all our dissenting brethren would vote to demand full and complete justice. Can it be possible that Catholics, directed and enlightened by the Church, may be less devoted to their interests and rights in matters of education than their fellow-citizens outside the Church? Or else, must it be granted that the Catholics who have kept this country on different occasions at the cost of great sacrifices and even at the peril of their lives, for English domination, shall be compelled to accept an inferior standing to that of their fellow-citizens of other creeds?"

Dec. 7.—Mr. James Mills, M.A., LL.D., speaking at the opening of the Guelph Technical School, makes the following statement: "In the last thirty-five years I have had ample opportunities for observing the results of education in Canada, and I do not hesitate to say that the one thing which has annoyed and discouraged me most is the character of the handwriting of the public and high school pupils. Their handwriting is generally discreditable, their speech and composition incorrect, slip-shod and incoherent."

Dec. 17.—Replying to the allegations against the Ross Government of lack of interest in the Provincial University the *Globe* gives the following figures of expenditures—actual or promised—between 1899 and 1903:

Total of Annual Grants, including payment of deficits since 1901	$179,308 00
Salaries, etc., of School of Science for past five years	146,604 00
New School of Science Building	300,000 00
New Medical Building	60,000 00
Pledged for Convocation Hall	50,000 00
Pledged for new Physics Building	180,000 00
Total	$915,912 00

HONOURARY DEGREES CONFERRED IN 1904 BY CANADIAN UNIVERSITIES AND COLLEGES

Date of Convocation	Name of Recipient	University or College	Honorary Degrees
Mar. 31.	Rev. Jas. Farquharson	Manitoba	D.D.
Apr. 7.	Rev. D. M. Ramsay	Knox	D.D.
	Rev. John Abraham, M.A.	"	D.D.
	Rev. W. G. Wallace, M.A., B.D.	"	D.D.
Apr. 24.	Rev. W. Sparling, B.A., B.D.	Wesleyan Theological	D.D.
	Rev. J. H. Hazlewood	" "	D.D.
Apr. 26.	Rev. Daniel Miner Gordon, D.D.	Dalhousie	LL.D.
	Rev. Professor A. W. Sawyer, D.D.	"	LL.D.
Apr. 27.	Major-General Lord Dundonald	Queen's	LL.D.
	Rev. E. D. Millar	Halifax Presbyterian	D.D.
	Rev. A. F. Carr	" "	D.D.
	Rev. Thos. Cumming	" "	D.D.
	Rev. E. Smith	" "	D.D.
	Rev. R. T. Somerville	" "	D.D.
	Rev. John Pringle	Queen's	D.D.
	Rev. John Neil	"	D.D.
Apr. 29.	J. A. A. J. Jusserand, French Ambassador at Washington, U.S.	McGill	LL.D.
	Hon. William Warren Lynch	"	LL.D.
	Rev. Principal E. I. Rexford	"	LL.D.
	Edward Weston (Newark, N.J.)	"	LL.D.
May 31.	Rev. W. Y. Chapman	Acadia	D.D.
	Rev. J. B. Ayre	"	D.D.
	George Johnson, F.S.S.	"	D.C.L.
June 2.	Hon. J. B. Snowball	New Brunswick	LL.D.
	Hon. L. J. Tweedie	" "	LL.D.
	Prof. James W. Robertson	" "	LL.D.
June 10.	Prof. Simon Newcomb of Johns Hopkins University	Toronto	LL.D.
	President W. R. Harper of University of Chicago	"	LL.D.
	Prof. C. S. Minot of Harvard Medical School	"	LL.D.
	Rev. Dr. T. C. Street Macklem	"	LL.D.
	J. Lorn McDougall, M.A., C.M.G., I.S.O.	"	LL.D.
	Dr. William Saunders, F.R.S.C.	"	LL.D.
	Otto Julius Klotz, C.E.	"	LL.D.
	William Frederick King, B.A.	"	LL.D.
	Edward L. Trudeau, M.D.	McGill	LL.D.
June 23.	Richard White	Bishop's College	D.C.L.
	Rev. Principal E. I. Rexford	"	D.C.L.
	Prof. Charles W. Colby, M.A., Ph.D.	"	D.C.L.
	Rt. Rev. Dr. Codman, Bishop of Maine, U.S.	"	D.D.
June 27.	Hon. L. P. Brodeur, K.C., M.P.	Laval (Monrtreal)	D.C.L.
	F. E. Meredith	"	D.C.L.
	Joseph Beauchamp	"	D.C.L.
	P. B. Mignault	"	D.C.L.
June 29.	John Hoskin, K.C., LL.D.	Trinity	D.C.L.
	Byron E. Walker	"	D.C.L.
July 20.	Rev. James Maclean	Halifax Presbyterian	D.D.
Aug. 3.	Most Rev. and Rt. Hon. Dr. R. T. Davidson, Archbishop of Canterbury	Toronto	LL.D.
Oct. 3.	Rt. Hon. John Morley, M.P.	"	D.C.L.
Oct. 26.	" " "	McGill	LL.D.
Nov. 18.	H. E. The Earl of Minto, G.C.M.G.	Laval (Quebec)	D.C.L.
Dec. 6.	Rt. Rev. F. H. DuVernet, Bishop of Caledonia	Trinity	D.D.

UNIVERSITY AND COLLEGE APPOINTMENTS OF THE YEAR

Institution.	Position.	Name.
Wesleyan Theological College, Montreal.	Principal	Rev. Dr. W. I. Shaw.
St. John's College, Winnipeg	Lecturer in German and French.	Edward J. Williamson.
Western Canada College, Calgary	Principal	Rev. Dr. Archibald C. Macrae
Montreal Congregational College	Professor of Systematic Theology.	Rev. Eugene W. Lyman, M.A., B.D.
Montreal Diocesan Theological College	Principal	Rev. Dr. E. I. Rexford.
Ottawa Ladies' College	Principal	Mrs. J. Grant Needham.
Horton Academy (Acadia University)	Principal	Rev. Everett W. Sawyer, B.A.
Dalhousie University, Halifax	Professor of Mining and Metallurgy.	F. H. Sexton.
Halifax Presbyterian College	Principal	Rev. Robert A. Falconer, M.A., B.D., D.Litt.
McMaster University, Toronto	Lecturer in Hebrew and Old Testament Exegesis.	Rev. I. G. Matthews, M.A., B.Th.
McMaster University, Toronto	Lecturer in Political Economy.	Rev. Dr. A. L. McCrimmon.
Wesleyan Theological College, Montreal.	Professor of Hebrew and Old Testament Exegesis.	Rev. Dr. George C. Workman.
St. Boniface (Jesuit) College, Winnipeg.	Professor of Science	Rev. Father Giroux.
Dalhousie University. Halifax	Lecturer in Physics	Dr. T. C. Hebb.
Halifax Presbyterian College	Lecturer in Pastoral Theology and Church History.	Rev. A. S. Morton, M.A., B.D.
Montreal Presbyterian College.	Principal	Rev. John Scrimger, B.A., D.D.
Montreal Presbyterian College	Professor of New Testament Literature and Exegesis.	Rev. D. J. Fraser, LL.D.
Acadia University, Wolfville, N.S.	Acting President	Rev. Dr. E. M. Kierstead.
King's College, Windsor, N.S.	President	Ian Campbell Hannah, M.A. (Cantab.).
King's College, Windsor, N.S.	Professor of Physics	W. H. Salmon, B.A.
Queen's University, Kingston	Professor of Civil Engineering	Alex. K. Kirkpatrick, C.E.
Queen's University, Kingston	Lecturer in Mathematics	Alfred Kennedy, M.A.
University of Toronto, Toronto	Instructor in Oriental Languages.	Richard Davidson, Ph.D.
University of Manitoba, Winnipeg	Professor of Mathematics and Chairman of the Science of Faculty.	R. R. Cochrane, B.A.
University of Manitoba, Winnipeg	Professor of Pathology and Bacteriology.	J. Gordon Bell, B.A., M.D.
University of Manitoba, Winnipeg	Professor of Chemistry	Matthew A. Parker, B.Sc.
University of Manitoba, Winnipeg	Professor of Physiology	Dr. Smale Vincent.
University of Manitoba, Winnipeg	Professor of Botany	A. H. Reginald Buller, B.Sc., Ph.D., D.Sc.
University of Manitoba, Winnipeg	Professor of Physics	Frank Allan, B.A., Ph.D.
St. John's College, Winnipeg	Professor of Modern Languages.	L. R. Whitely, B.A.
Trinity University, Toronto	Lecturer in Hebrew	Rev. T. H. Hurst, M.A., D.D.
Trinity University, Toronto	Lecturer in Divinity	Rev. C. B. Kenrick, M.A.
University of New Brunswick, Fredericton	Professor of Philosophy and Economics.	Dr. M. S. Macdonald.

ENROLMENT AND GRADUATES OF CANADIAN UNIVERSITIES

Institution.	Place	Enrolment	Graduates
Queen's University	Kingston	897	86
Wycliffe College	Toronto	45	5
Dalhousie University	Halifax	332	65
University of Toronto	Toronto	1,742	424
McMaster University	Toronto	186	35
University of Manitoba	Winnipeg	428	68
Trinity University (1903)	Toronto	....	37
Victoria University	Toronto	342	43
Knox College	Toronto	71	23
King's College	Windsor, N.S.	22	21
Acadia University	Wolfville, N.S.	401	30
McGill University (1903)	Montreal	1,083	201
Laval University (1903)	Montreal	705	383
Laval University (1903)	Quebec	425	
University of Bishop's College	Lennoxville	106	32
University of Ottawa	Ottawa	518	35
University of New Brunswick (1903)	....	134	25

XV.—MISCELLANEOUS FACTS AND INCIDENTS

Jan. 1.—Mr. W. S. Stout is appointed General Manager of the Dominion Express Co.

Jan. 1.—Mr. William Wilfred Campbell, F.R.S.C., issues his annual New Year's poem. It is entitled "The Lyre Degenerate," and expostulates with those who would spend all their imaginations upon creatures of the field and wood. Other striking poems by Mr. Campbell appear during the year—notably "Canada," which touches a high and strenuous note of public morality and protest against political corruption; "Canada and the Navy," an Imperialistic Ode; and "The Discoverers," a poem dealing with the bold spirits of 300 years ago who crossed the trackless seas in search of the New World.

Jan. 1.—Sydney, C.B., becomes a full-fledged city, with Mr. W. A. Richardson as its first Mayor.

Jan. 13.—At the annual meeting of the Quebec Literary and Historical Society, Sir James LeMoine occupies the chair, and the Annual Report refers to suggestions tendered by Mr. James Douglas, LL.D., of New York, the Hon. President, as to obtaining for publication the valuable Neilson MSS. Dr. Douglas also promises a considerable annual sum for the purchase of current books. Major William Wood is elected President and Mr. F. C. Würtele, Librarian.

Feb. 4.—The annual meeting of the Canadian Press Association takes place in Toronto with Mr. H. J. Pettypiece, M.L.A., in the chair, The new officers elected include Mr. John A. Cooper, B.A., as President, Mr. Arch. McNee of Windsor as 1st Vice-President, and Mr. A. H. U. Colquhoun of Toronto as 2nd Vice-President, with Mr. J. T. Clark as Secretary-Treasurer.

Mar. 3.—The Western Canada Press Association meets in annual session at Winnipeg, with President D. Cannon of the Minnedosa *Tribune* in the chair. The officers elected for 1904 include Mr. J. A. Osborne of the Fort Francis *Times*, as President; 1st Vice-President, George McCuish of the Morden *Chronicle*; 2nd Vice-President, E. E. Law of the Qu'Appelle *Progress*; 3rd Vice-President, B. Huckle of the Carberry *Express*; Secretary, G. H. Saults of the Winipeg *Free Press*.

Apr. 12.—It is stated that Mr. A. G. Doughty of Quebec has reconsidered his refusal to accept the post of Dominion Archivist in succession to Dr. Douglas Brymner, and that he will enter upon his duties at once.

Apr. 15.—Mr. Alex. Fraser, the new Archivist of the Ontario Government, issues his preliminary Report outlining the work he hopes to accomplish in obtaining and preserving the MSS. bases of history, promoting the writing and compiling of local records and the encouragement of local research.

Apr. 30.—It is announced that the list of British countries to which Canadian newspapers can be sent at the same rate as to places in Canada has been augmented by the addition of Mauritius. The complete list is as follows: Bahamas, Barbados, Bermuda, British Guiana, British Honduras, British North Borneo, Ceylon, Cyprus, Falkland Islands, Fiji, Gambia, Gibraltar, Hong Kong, Jamaica, Leeward Islands, Malta, Mauritius, Newfoundland, New Zealand, Sarawak, Seychelles, Sierra Leone, Southern Nigeria, Transvaal, Trinidad, Tobago, Turk's Islands and Zanzibar.

May 5.—The Rev. W. J. McKay, B.A., B.D., assumes editorial charge of the *Canadian Baptist* in succession to Mr. G. R. Roberts.

May 11.—The sixth annual meeting of the Canadian Society of Authors is held in Toronto with Mr. Premier Ross in the chair and the following officers are elected :

Hon. President . Dr. Goldwin Smith.	Vice-President . . A. G. Doughty, LITT.D.
President . . . . . Hon. G. W. Ross, LL.D.	" " . . Rev. C. W. Gordon (Ralph Connor).
Vice-President . . Hon. J. W. Longley, K.C., D.C.L.	" " . . Clive Phillips-Wolley.
" " . . Sir. J. M. LeMoine, LL.D.	Hon. Secretary . Prof. Pelham Edgar, PH.D.
" " . . L. H. Frechette, C.M.G., LL.D.	Hon. Treasurer . John A. Cooper, B.A.
" " . . W. H. Drummond, LL.D., F.R.S.C.	

The Executive Committee is composed of Messrs. James Bain, D.C.L.; J. Castell Hopkins, F.S.S.; J. S. Willison, F.R.S.C.; J. Macdonald Oxley ; O. A. Howland, C.M.G., K.C.; Byron E. Walker ; C. C. James, M.A.; Prof. James Mavor ; Prof. Davidson ; A. H. F. Lefroy, M.A.

June 1.—The annual meeting of the Ontario Historical Society opens at Windsor with Mr. C. C. James, M.A., as President. Amongst those reading papers are Mr. Francis Cleary, President of the Essex Historical Society ; Lieut.-Col. E. Cruickshank of Niagara ; Miss Margaret Claire Kilroy, Miss Jean Barr and the Rev. Thomas Nattress. Mr. W. L. Grant, B.A., is elected President for the ensuing year.

June 4.—It is announced that Mr. R. E. Gosnell, the well-known writer and Secretary of the Provincial Bureau of Information in British Columbia, has accepted the editorship of the Victoria *Colonist*.

June 18.—The Toronto *Globe* celebrates the 60th Anniversary of its foundation with an out-door banquet at Burlington Beach attended by some 600 persons and addressed by leading Liberals or representatives of the journal's development in recent years. They include Mr. Robert Jaffray and Hon. W. Paterson, Minister of Customs ; Hon. E. J. Davis, Ontario Commissioner of Crown Lands ; Mr. E. F. Clarke, M.P., Hon. James McMullen, Mayor Urquhart of Toronto, Messrs. Joseph Tait, Peter Ryan, John Cameron, Hon. J. M. Gibson, and the Rev. J. A. Macdonald, now Editor-in-Chief of the paper . The July 2nd issue of *The Globe* is an anniversary number composed of 76 pages, and with an edition of 80,000 copies.

June 21.—On this and succeeding days the Royal Society of Canada meets at St. John, N.B., and incidentally, takes part in the 300th anniversary of the founding of Annapolis, N.S. Lieut.-Col. G. T. Denison presides and delivers an address upon the United Empire Loyalists and their influence upon the history of the Continent. In the French Section Abbé Camille Roi of Quebec is elected a Fellow. Mr. Benjamin Sulte is elected President for the ensuing year.

July 20.—The Nova Scotia Press Association meets at Halifax, with President J. D. McDonald of Pictou in the chair, and completes the organization which commenced at Truro on Mar. 24th.

July 23.—The general strike at the Dominion Steel Works, Sydney, C.B., which commenced on May 31st is finally closed to-day with a decisive victory for the Company.

Aug. 24-26.—The Canadian Medical Association meets at Vancouver. Dr. John Stewart of Halifax is elected President.

Sept. 19.—The Trades and Labour Congress of Canada meets in Montreal with 130 Delegates in attendance and Mr. John A. Flett in the chair. 321 Unions in affiliation are reported with a membership of 22,010. Mr. A. Verville of Montreal is elected President for the ensuing year.

Sept. 27.—The National Trades and Labour Congress meets at Ottawa and reports a total membership of 10,435, with 47 unions in affiliation. Mr. T. F. Benbow of Ottawa is elected President

Oct. 3.—Professor J. Algernon Temple, M.D., delivers a notable address at the opening of the Medical Session of Toronto University. In it he urges that a student should be a B.A., if possible, prior to entering the Medical department of the University; declares that: "The emphasis of public opinion in Canada cannot be said to be laid upon things of the mind. Observe the men picked out for honours by the multitude, the crack shot, the skilful oarsman, the valiant slugger;" and earnestly explains the reasons for aiding Medical education:

"It is not enough for us to be passive recipients of the accumulated inherited thought of the ages gone before. A nation to advance must make original contributions to knowledge and learning. A profession to advance must likewise make original contributions to knowledge and learning. It cannot stand still. To keep medical instruction abreast of medical progress the professor must lecture on what he is doing, on what he is by research discovering, and not on what other people have done or discussed. Do our public men, and the power behind them, recognize this fact?"

Oct. 8.—A weekly paper called *The Argus* is started in Montreal by Mr. Henry Dalby, late Editor of *The Star*.

Nov. 7.—Edmonton becomes a City through an Ordinance of the Territorial Legislature and duly celebrates the event.

Dec. 4.—At a meeting in Montreal of the Press Association of the Province of Quebec, Mr. E. F. Slack of the Montreal *Gazette* is elected President, Mr. A. M. Dewar of the Montreal *Herald* 1st Vice-President, and Mr. J. M. Burgess of the Montreal *Star* 2nd Vice-President with Mr. G. H. Porteous McConnell as Secretary-Treasurer.

Dec. 16.—Mr. R. J. Fleming, ex-Mayor of Toronto and present Assessment Commissioner, is appointed General Manager of the Toronto Street Railway.

Indian Population of Canada.

	1902	1903		1902	1903
Ontario	20,983	21,093	British Columbia	25,500	25,582
Quebec	10,842	11,066	Manitoba	6,754	6,829
Nova Scotia	2,067	1,930	North-West Territories	17,922	17,649
New Brunswick	1,644	1,699	Athabasca District	1,239	1,239
Prince Edward Island	316	301	Outside Territory limits	20,845	20,845

*Immigration into Canada for Year ending June 30th, 1904.**

Nationality.	Number.	Nationality.	Number.
English and Welsh	36,694	Scandinavians	4,203
Scotch	10,552	Doukhobors	....
Irish	3,128	French and Belgians	2,392
Galicians	7,729	Russians and Finlanders	2,806
Germans	2,985	United States	45,171
Hungarians	1,207	Miscellaneous	11,262
Austrians	2,201		
Total			130,330

* NOTE—In 1903 this immigration totalled 128,364, and in 1902, 67,379.

XVI.—CANADIAN OBITUARY, 1904

Aikins, P.C., L.L.D., Hon. James Cox—Senator of Canada and ex Lieut.-Governor of Manitoba. Toronto. Aug. 6th.

Baldwin, D.D., Rt. Rev. Maurice Scollard—Anglican Bishop of Huron. Oct. 19.
Beausoliel, ex-M.P., Cleophas—Postmaster of the City of Montreal. Oct. 4th.
Bell, Benjamin Taylor A.—Editor of the *Canadian Mining Review*. Ottawa. May 1st.
Bertram, ex-M.P., John—Chairman of the Dominion Transportation Commission and President of the Bertram Engine Works, Toronto. Nov. 28th.
Boak, Hon. Sir Robert—President for 25 years of the Legislative Council of Nova Scotia. Halifax. Dec. 5th.
Bourassa, D.D., F.R.S.C., Rev. Gustav—Secretary of Laval University, Montreal. Nov. 20th.
Branchard, K.C., B.C.L., Athanese. Montreal. Nov. 30th.
Brunet, ex-M.P., Joseph. Montreal. Apr. 17th.

Calder, Donald R.—Ex-Warden of Oxford County. Ingersoll. Mar. 3rd.
Campbell, M.A., LL.D., F.R.S.C., John—Professor of Church History, Montreal Presbyterian College. July 30th.
Cascaden, M.D., ex-M.L.A., John Dutton. Aug. 31st.
Casgrain, D.Lit., F.R.S.C., Rev. Henri Raymond. Quebec. Feb. 12th.
Caven, D.D., LL.D., Rev. William—Principal of Knox College. Toronto. Dec. 1st.
Cawthra, Henry—Capitalist, etc. Toronto. Dec. 25th.
Chapman, Ph.D., LL.D., E. J.—One-time Professor of Mineralogy and Geology in the University of Toronto. Jan. 28th.
Chauvin, ex-M.P., Louis Adolphe. Montreal. June 8th.
Cooke, ex-M.P., Alanson. May 1st.
Crerar, K.C., John—County Crown Attorney. Hamilton. May 8th.

Davies, Hon. Benjamin—One-time member of Prince Edward Island Executive Council. Sept. 15th.
Decarie, M.L.A., Daniel Jeremie. Hochelaga, Que. Oct. 31st.
Desmarais, ex-M.L.A., ex-M.P., Hon. Odelon—Judge of the Supreme Court of Quebec. May 18th.
Dever, Hon. James—Senator of Canada. St. John, N.B. May 7th.
Drolet, Chevalier Gustav Adolphe. Montreal. Oct. 17th.

Edwards, William—Secretary of the Ontario Department of Public Works, Toronto. May 2nd.

Ferguson, Hon. Thomas—Judge of the High Court of Justice of Ontario. May 31st.
Foy, John—President of the Niagara Navigation Co., Toronto. Dec. 6th.

Gravel, D.D., Rt. Rev. Elphege—First Roman Catholic Bishop of Nicolet. Jan. 28.

Hanson, Charles Denny. Montreal. Nov. 20th.
Harley, ex-M.P., Archibald—South Oxford. May 19th.
Hearn, K.C., Matthew Aylward. Quebec. Dec. 18th.

Irving, Andrew Scott—President, Toronto News Co. Apr. 29th.

Jarvis, J.P., Eli Samuel—Clerk of the 9th Division Court, Police Magistrate, and License Commissioner, London, Ont. Sept. 23rd.

Joseph, Jesse—President for many years of the Montreal Street Railway and Montreal Gas Co. Feb. 24th.
Kennedy, Warring—ex-Mayor of Toronto. June 25th.
Kilroy, D.D., Very Rev. Edmund Burke. Stratford. Jan. 12th.

Larocque, Rev. Father Charles—Director-General of Catholic Schools in the Diocese of Montreal. Apr. 15th.
Long, John Joseph—Capitalist. July 6th.
Lee, James P.—Inventor of the Lee-Metford Rifle, New Haven, Conn. Feb. 24th.
Lesslie, Joseph—ex-Postmaster of Toronto. Jan. 6th.
Lumsden, ex-M.L.A., Alexander. Ottawa. Aug 5th.

Marshall, ex-M.L.A., Hon. Robert—One-time Member of the New Brunswick Executive Council. May 26th.
Martin, K.C., D.C.L., Edward. Hamilton. Feb. 14th.
Massie, James—Registrar of East and West York, Toronto. Apr. 1st.
Milne, C.M.G., Alexander Roland—Collector of Customs, Victoria, B.C. Jan. 17th.
Murphy, M.D., John Bernard—Medical Superintendent of the Brockville Insane Asylum.
Macdonald, Lieut.-Col. Frederick W.—One-time City Solicitor of St. Catharines. Jan. 8th.
MacKay, M.A., D.D., Rev. Alexander. Toronto. Aug. 13th.
MacKenzie, John A.—Judge of the County Court of Lambton. Port Huron. Nov. 15th.
Machray, D.D., LL.D., D.C.L., Most Rev. Robert—Primate of all Canada and Archbishop and Metropolitan of Rupert's Land. Mar. 9th.
MacVicar, B.A., D.D., LL.D., Ph.D., Rev. Malcolm—First Chancellor of McMaster University, Toronto. Cato, N.Y. May 18th.
McCallum, M.D., Duncan Campbell—Emeritus-Professor of Midwifery, McGill University, Montreal. Nov. 13th.
McCarthy, Rev. Canon Peter. Quebec. Oct. 27th.
McCreary, M.P., William Forsythe. May 4th.
McLennan, B.C.L., F.R.S.C., William—Author. Montreal. July 28th.
McInnes, Hon. Thomas Robert—Ex-Lieut. Governor of British Columbia. Mar. 15th.
McIntosh, M.P., John. Sherbrooke. July 12th.
McNab, ex-M.P., Archibald—Sheriff of Stormont, Dundas and Glengarry. July 16th.

Nelson, Edwin G. St. John. Jan. 20th.

Pacaud, Ernest—Formerly Editor-in-Chief of *Le Soleil*, Quebec. Apr. 19th.
Paterson, ex-M.L.A., Peter. July 25th.
Pearson, James J.—Registrar of North York. Mar. 19th.
Philp, M.A., D.D., Rev. John. Kingston. July 22nd.
Powell, Grant—lately Under-Secretary of State, Ottawa. Jan. 28th.
Putman, ex-M.P., Alfred. Halifax, N.S. Oct. 12th.

Read, K.C., David Breckenridge—ex-Mayor of Toronto. May 11th.
Ried, Hon. James—Senator of Canada. May 3rd.
Ritchie, M.A., K.C., Hon. Joseph Norman—Puisne Judge of the Supreme Court of Nova Scotia. June 5th.
Roach, George—ex-Mayor of Hamilton. May 13th.
Rose, Daniel. Toronto. May 9th.

Sangster, M.A., M.D., John Herbert—Educationalist and Author. Jan. 27th.
Sanson, Rev. Canon Alexander—Rector of Trinity Church, Toronto. Jan. 8th.
Scarth, D.D., Rev. Canon Archibald Campbell—Rector of St. George's, Lennoxville. Mar. 16th.
Schaffner, ex-M.L.A., Lieut.-Colonel, C. W. Truro, N.S. Dec. 28th.

Shields, Cornelius—General Manager, Consolidated Lake Superior Corporation, Sault Ste. Marie. Oct. 28th.
Scouler, Rev. James—ex-Moderator of the Presbyterian Synod of British Columbia. May 9th.
Smith, M.INST. C.E., Marcus. Aug. 14th.
Somerville, ex-M.P., Lieut.-Col. Robert Brown. Aug. 19th.
Stephens, ex-M.L.A., Hon. George Washington—One-time Member of the Quebec Government. Montreal. June 20th.
Stratton, K.C., LL.B., W. A. Peterborough. Apr. 4th.
St. John, Molyneux—Gentleman Usher of the Black Rod, Ottawa. Jan. 30th.
Stayner, Thomas Sutherland—President of the Bristol and West of England Canadian Loan, Mortgage and Investment Co., Toronto. June 11th.

Trutch, K.C.M.G., Sir Joseph William—ex-Lieut.-Governor of British Columbia. Mar. 4th.
Tupper, Richard Latouche. Winnipeg. Mar. 21st.

Vail, Lieut.-Col. The Hon. William Berrian—ex-Minister Militia and Defence. Apr. 10th
Villiers, Colonel Henry Louis Phillipe. Apr. 23rd.

Webb, Ephraim Elliott—General Manager of the Union Bank of Canada, Quebec. Jan. 7th.
Wheaton, ex-M.L.A., William—Sheriff of Kent, N.B. Feb. 4th.
Wilson, J.P., Major Joseph—Pioneer Resident of Sault Ste. Marie. Mar. 11th.
Welton, D.D., PH.D., Rev. Daniel Morse—Professor of Hebrew and Theology in McMaster University, Toronto. Feb. 28th.
Wiman, Erastus—New York Capitalist and Commercial Union advocate. Feb. 9th.
Würtele, K.C., D.C.L., Hon. Jonathan Saxton Campbell—ex-Treasurer of Quebec and Speaker of the Legislative Assembly, and Puisne Judge of the Court of Queen's Bench. Apr. 24th.

Young, Hon. Robert—Member of the Executive Council of New Brunswick, 1872-83. Feb. 3rd.

INDEX TO NAMES

Abbott, Lieut.-Col. R. H., 477.
Abercorn, Duke of, 374.
Aberdeen, Countess of, 442, 568.
Aberdeen, Earl of, 374, 442.
Acheson, Lieut.-Col. G., 478.
Adams, Charles, 508.
Adamson, M.P., A. J., 242.
Agar, M. E., 330.
Agnew, M.L.A., Hon. J. H., 232, 236, 237, 357, 577.
Aitkin, W. H., 518.
Aikins, K.C., J. A. M., 160, 232, 536.
Alcorn, M.P., G. O., 89, 91, 239.
Alexander, R. H., 39.
Alexandra, Queen, 595.
Allan, A. A., 509.
Allan, H. A., 33, 497.
Allan, Sir H. Montagu, 370, 525.
Allard, M.L.A., L. J., 324.
Allen, George, 494.
Allen, K.C., T. Carleton, 163.
Allen, M.L.A., George W., 330.
Allen, Ven. Dr. T. W., 557.
Allward, Walter S., 445.
Ames, A. E., 355, 500.
Ames, M.P., H. B., 37, 185, 186, 238, 240, 245. 427.
Amyot, G. E., 38, 40.
Anderson, Dr. Alex., 586.
Anderson, Edward, 234.
Anderson, Lieut.-Col. W. P., 442, 482, 483.
Angers, Hon. A. R., 236.
Anglin, K.C., Hon. Frank A., 64, 160
Annable, G. M., 37.
Arbuckle, Sir W., 443.
Archambault, J. B., 230.
Archambault, M.P., J. E., 240.
Archambeault, Mgr., 438, 561.
Archambeault, Hon. H., 310, 327.
Archibald, B.A., J. Gordon, 577.
Archibald, C.E., P. S., 424.
Archibald, Elder John H., 564.
Archibald, Major W., 575.
Archibald, Samuel Geo., 441.
Ardagh, Judge, 246.
Argyll, Duke of, 377.
Armendaris, Senor, 486.
Armitage, Rev. W. J., 557, 568.
Armstrong, Hugh, 337.
Armstrong, M.P., J. E., 32, 239.
Arnold-Foster, M.P., Rt. Hon. H. O., 146, 379, 404, 405, 408.
Arsenault, M.L.A., J. F. H., 336.
Ashdown, J. H., 58.
Asquith, Rt. Hon. H. H., 384, 387, 414.
Atkinson, Edward, 461.
Atkinson, J. E., 410.
Auden, Principal, 591.
Augustine, St., 429.
Austin, J. A., 300.
Auteuil, M.L.A., P. D., 323.
Avebury, Lord, 415.
Avery, M.P., M., 239.
Aylesworth, K.C., A. B., 27, 183, 189-191, 217, 229, 236, 243, 246, 280, 286, 354, 428, 442.
Aylmer, Colonel, Lord, 124, 464, 478, 482

Babcock, J. P., 351, 548, 549.
Backus, E. W., 523.
Bain, Dr. James, 155.
Baird, Rev. Prof., 553.
Baker, Senator G. B., 115, 119, 120, 133, 134.
Baker, Lieut., 121.
Baldwin, Bishop, 556.
Baldwin, M.A., Rev. A. H., 558.
Balfour, G. H., 508, 519.
Balfour, Rt. Hon. A. J., 381-385, 387, 390, 397, 415, 416.
Balfour of Burleigh, Lord, 388.
Ball, M.P., Georges, 82.
Ball, P. B., 521.
Ballantine, C. C., 40.
Barber, John R., 304.
Barclay, Dr. Thos., 458.
Barclay, Rev. Dr. James, 41, 553.
Barker, M.P., S., 91, 97, 239, 440, 473.
Barlow, Very Rev. Dr. W. H., 434.
Barnes, M.L.A., James, 330.
Barr, Lieut.-Col. J. G., 478.
Barr, M.P., John, 239.
Bastedo, S. T., 544.
Batchelor, E. L., 368.
Bates, Gov. John L., 462.
Bauld, H. G., 518.
Baxter, Mayor J. P., 247.
Beaconsfield, Lord, 369.
Beatty, M.P.P., J. S., 273.
Beauparent, M.P., A. M., 241.
Beddoe, W. A., 217.
Beecher, C. M., 48, 248.
Bégin, Mgr. L. N., 560.
Behan, J. J., 561.
Beith, M.P., Robert, 189, 190, 449.
Beique, Hon. F. L., 321.
Béland, M.P., H. S., 237, 240.
Belcourt, K.C., M.P., Hon. N. A., 18, 161, 208, 228, 237, 239, 372.
Bellamy, B.A., Ralph V., 577.
Bell, B. T. A., 353, 542.
Bell, Dr. R. W., 357.
Bell, F.R.G.S., Dr. J. A., 447.
Bell, L.S.O., F.R.S., Dr. Robert, 98.
Bell-Irving, H., 153.
Bell, J. M., 546.
Bell, Judge, 356, 502.
Bell, K.C., John, 494, 497.
Bell, M.P., A. C., 51, 89-91, 145, 166, 169, 185, 198, 236, 327, 358, 359.
Bell, M.P., Richard, 404.
Bell-Smith, F. M., 449.
Belton, Surg.-Major C. W., 477.
Bennett, Dr. J. Gordon, 234.
Bennett, M.P., W. H., 91, 103-105, 181, 239.
Bennett, M.L.A., R. B., 58, 233, 343.
Bent, Hon. Thomas, 368.
Bentley, P. R., 524.
Beresford, Lord Charles, 125.
Bergeron, M.P., J. G. H., 31-33, 180, 185, 188, 238, 240, 245, 319, 320, 438.
Bergevin, M.L.A., A., 323.
Bernard, Dr. A. A., 31.
Bernard, M.L.A., Dr. L. P., 323.
Bernier, Captain, 156.
Bernier, K.C., A., 140.
Bernier, Hon. M. E., 26, 168, 498, 499.
Berry, Sir Graham, 369.
Berthiaume, Hon. F., 226.
Bertram, John, 236, 500, 501, 538.
Bertram, Lieut.-Col. Alex., 480.
Berwind, A. D., 271.
Berwind, J., 271.
Bethune, ex-M.P., Lieut.-Col., 234, 320.
Bickerdike, M.P., R., 36, 240.
Biggar, Lieut.-Col. J. Lyons, 478.
Biggar, W. H., 102, 494, 497.
Binney, Rev. W. H., 557.
Birge, Cyrus A., 444, 454, 519.
Birkett, Thomas, 208, 228.
Birnie, K.C., John, 549.
Bishopric, Allen, 462.
Bissett, M.L.A., Dr. C. P., 327.
Bissonnette, M.L.A., P. J. L., 324.
Bissonnette, M.L.A., A., 316, 324.
Black, B.S.A., W. J., 357.
Black, Hon. Thos. Reuben, 164, 327, 329.
Black, Rev. Dr. Armstrong, 553.
Black, M.P., A. W., 390.
Black, M.P., J. B., 241.
Blackadar, C. C., 161.
Blackburn, Lieut.-Col. T. A., 479.
Blackley, William, 163.
Blackstock, K.C., G. T., 231.
Blain, Hugh, 37, 41, 287, 355.
Blain, M.P., Richard, 57, 91, 239 295.
Blair, Hon. A. G., 17, 19, 20, 25, 26, 31, 32, 36, 61, 68, 84, 96, 97, 168, 171, 174, 177, 185, 192, 201, 221, 223.7, 231, 234, 242, 250-4, 330, 493, 499, 500, 526.
Blair, jr., George, 499.
Blake, Hon. Edward, 151, 190, 304, 354, 424, 424, 432, 442.
Blake, Hon. S. H., 303, 557, 564, 573.
Blanchard, S., 163.
Blanchet, M.P., J. B., 31, 32, 494.
Bland, M. P., L. T., 238.
Bland, Rev. Prof. S. G., 553.
Blouin, M.L.A., J. C., 324.
Boddy, Ven. Dr. S. J., 557.
Bodwell, E. V., 351.
Bole, D. W., 198, 199, 232, 233, 238, 242.
Boller, A. P., 271.
Boomer. Mrs., 568.
Bond, Archbishop, 430, 558.
Bond, Rev. G. J., 550.
Booth, Charles, 380.
Booth, Eva, 567.
Booth, General, 565.
Booth, J. R., 102, 311, 316, 493, 497.
Bond, Sir Robert, 419, 420, 422, 426.
Bopp, Franz, 376, 461.
Borden, J. W., 475.
Borden, K.C., M.P., R. L., 17-19, 23, 28, 29, 31, 32, 36-39, 52, 53, 56, 59, 66, 74-76, 79, 80, 82, 83, 85, 87, 91, 92, 96, 102, 104-106, 109, 110, 117, 121, 130, 131, 135, 144, 149, 150, 159, 161, 163, 164, 166, 169, 171, 175-183, 185-189, 196, 200, 202, 203, 209-213, 221, 224-226, 229-231, 234-236, 245, 249-251, 253, 293, 296, 353, 359, 370, 371, 378, 386, 390, 396, 399, 469, 471-473, 475, 496, 574.
Borden, Lieut., 194.
Borden, Mrs. R. L., 149, 150, 181, 250, 568.

Borden, M.P., Sir F. W., 110-111, 114-117, 119, 122-135, 137, 147, 148, 168, 194, 204-207, 228, 237, 238, 241, 243, 408, 409, 413, 414, 445, 459, 461, 465-467, 470-476, 481, 482.
Borthwick, Lord, 434.
Bosanquet, Vice-Admiral D. A., 369.
Bostock, Hon. Hewitt, 161, 164.
Boucher de la Bruère, M., 582, 593.
Boucher, I.S.O., A. A, 370.
Boucherville, Senator de, 150.
Boulton, S. B., 380.
Bourassa, M.P., Henri, 31, 94, 147, 161, 166, 210, 215, 240, 395, 427, 436, 437, 445, 472.
Bourbonnais, M.P., A., 241.
Bowell, Sir Mackenzie, 82, 106, 117, 124, 149, 150, 161, 164, 198, 230, 279.
Bowlen, M.L.A., P. T., 336.
Bowles, Rev. R. P., 553.
Bowman, M.L.A., C. M., 267, 270, 271, 273, 274, 287, 293, 309.
Bowser, M.L.A., W. J., 349.
Boyce, M.P., A. C., 238, 282.
Boyd, A. J., 327.
Boyd, Chancellor, 267, 281-285, 327.
Boyd, G. M., 284, 285.
Boyd, Nat., 236.
Boyd, James, 327.
Boyer, Hon. Arthur, 322.
Boyer, M.P., G., 241.
Boyle, Sir Cavendish, 419.
Brabazon, M.P., G. H., 240.
Braddon, Sir E. N. C., 369.
Bradburn, T., 355.
Brault, Mayor, 178.
Brega, Charles, 523.
Bremner, John, 254.
Brennan, John, 256.
Brent, Rt. Rev. Dr. C. H., 463.
Brewer, M.E., W. M., 545.
Brewster, David, 443.
Brierley, J. S., 322, 440.
Briggs, Rev. Dr., 550.
Bright, John, 184.
Britton, Mr. Justice, 353, 547.
Brock, J. H., 37.
Brock, M.P., W. R., 41, 42.
Brodeur, K.C., Hon. L. P., 26, 27, 33, 39, 53, 55-57, 159, 168, 174, 212, 232, 233, 241, 444.
Broder, M.P., Andrew, 53, 238, 296.
Brodie, John L., 311.
Brodrick, M.P., Rt. Hon. St. John, 374, 375.
Bromley-Davenport, D.S.O., M.P., W., 404.
Brooke-Hunt, Violet, 434.
Broomball, George, 443.
Brough, T. G., 519.
Brown, Edward, 357.
Brown, John C., 173.
Brown, John, 279.
Brown, Lieut.-Col. W. W., 478.
Brown, Lieut.-Col. L., 477.
Brown, M.P., J. P., 240.
Brown, P. S., 333.
Brown, Rev. G. M., 563.
Brown, R. H., 544.
Brown, Rev. O. B., 178.
Bruchési, Archbishop, 212, 372, 559-561, 569.
Brunault, Mgr., 559.
Bruneau, M.P., A. A., 241.
Brunet, Alfred, 101, 497.
Brunton, M.D., Sir Lauder, 434.
Bryan, George F., 39.
Bryan, W. J., 289.
Bryce, Dr. P. H., 355.
Bryce, Mrs. George, 568.
Bryce, M.P., Rt. Hon. James, 387, 432.
Bryce, Rev. Dr., 553, 568, 591.
Brymer, W., 462.
Buchan, C.M.G., Lieut.-Col. L., 478, 483.
Buchanan, Frank, 570.
Buchanan, George O., 159, 161.
Buchan, K.C., J. S., 162.
Buell, W. S., 309.
Bullen, W. T., 39.
Buller, Sir Redvers, 125.
Bulman, Lieut.-Col. J. D., 477.
Bulyea, G. H. V., 343.
Bureau, M.P., Jacques, 241.
Burgess, jr., M.L.A., James, 331.
Burke, G. Eustace, 521.
Burland, Lieut.-Col. Jeffrey H., 39, 477, 508.
Burn, George, 519.
Burns, W. A., 449.
Burns, W. H., 461.
Burstall, R.C.A., Capt. H. E., 481.
Burbank, E. A., 234.
Burton, A. J., 525.
Burwash, Chancellor, 444, 550, 555, 578.
Bury, Lieut., The Viscount, 376.
Buscombe, F., 355.
Butcher, Nelson R., 499.
Butler, R. E., 258.
Butler, M. J., 497.
Butterworth, J., 271.
Butts, R. H., 234.

Caillard, Sir Vincent, 380.
Calder, J. A., 587, 588.
Caldwell, M.P., T. B., 239.
Calvert, W. S., 216, 239, 291, 309.
Cambon, M., 425.
Cambridge, H.R.H., Duke of, 369.
Cameron, B.A., William E., 577.
Cameron, D. M., 161.
Cameron, M. G., 265, 273.
Campbell, A. W., 504.
Campbell-Bannerman, Sir H., 146, 382, 385, 387, 390.
Campbell, George S., 201, 503.
Campbell, Hon. C. H., 232, 328-340, 391, 428, 555.
Campbell, J. T., 46.
Campbell, K.C., Isaac, 232, 233, 3490, 599.
Campbell, Lieut.-Col. H. M., 479.
Campbell, M.P., A., 33, 151, 240, 287, 308.
Campbell, Prof. John, 558.
Campbell, Rev. R. J., 448.
Campbell, William Wilfred, 158, 163, 599.
Cantley, Thomas, 508.
Canterbury, Archbishop of, 369, 374, 429-431, 558.
Cardin, M.L.A., L. P. P., 324.
Cardwell, Lord, 132.
Carey, D. A., 231.
Carfoot, W. H., 254.
Carleton, John Louis, 159.
Carlyle, Florence, 462.
Carman, T. S., 255, 256.
Carman, Rev. Dr., 299, 460, 550, 554, 555, 570.
Carmichael, Rt. Rev. Bishop, 372.
Carnegie, Andrew, 450, 459.
Carney, M.P., Michael, 241.
Caron, C. G., 536.
Caron, M.L.A., Donat, 324.
Caron, M.L.A., J. E., 324.
Carr, Capt. G., 121, 481.
Carrington, K.C.B., Major-Gen. Sir F., 434.
Carroll, Hon. H. G., 26, 168.
Carruthers, Hon. J. H., 369.
Carruthers, Major Bruce, 478.
Carscallen, K.C., M.L.A., H., 295.
Carter, M.L.A., Ald. C. B., 322, 323, 326.
Carter, W. E. H., 546.
Cartier, Sir George, 31, 186, 214.
Cartwright, A. D., 498.
Cartwright, Lieut.-Col. R., 483.
Cartwright, Sir Richard, 27, 37, 51, 104-106, 152, 164, 166-168 176, 179, 233, 237, 487, 503, 507.
Carvell, M.P., F. B., 37, 238, 241.
Casault, Hon. Sir L. N., 162.
Casgrain, Hon. J. P. B., 518.
Cash, M.P., E. L., 242.
Cassels, K.C., Hamilton, 550.
Caven, Principal, 299, 550, 558.
Cay, Hon. J. W., 443.
Cecil, Lord Hugh, 387
Chamberlain, Rt. Hon. Austen, 384.
Chamberlain, Rt. Hon. Joseph, 18, 28, 31, 33, 37, 41, 49, 53, 58, 141, 142-144, 145, 170, 174, 177-179, 193, 210, 225, 232, 244-245, 293, 334, 337, 339, 369, 374, 376, 378, 399, 401-403, 425, 427-429, 431-434, 440, 443, 445, 446, 450, 453.
Chambers, Capt. Ernest J., 160.
Champagne, ex-M.P., L. N., 163.
Champagne, M.L.A., H., 324.
Champagne, Napoleon, 208.
Chapais, Hon. T., 187.
Chapleau, Sir Adolphe, 31, 210, 375.
Charles I., 289.
Challener, F. S., 449, 462.
Charlton, Hon. W. A., 167, 286, 287, 289.
Charlton, M.P., John, 167, 398.
Chase-Casgrain, M.P., Hon. T., 29, 33, 91, 104, 134, 166, 169, 187, 211, 213, 214, 231, 236, 319, 320, 390.
Chateauvert, V., 140, 163, 327.
Chauret, M.L.A., J. A., 324.
Chermside, Major-Gen. Sir Herbert, 367.
Cherrier, M.L.A., C. S., 324.
Chevrier, M.L.A., Horace, 339.
Checkley, Lieut.-Col. J. B., 478.
Chicoyne, J. A., 314, 318.
Childers, Rt. Hon. H. C. E., 132.
Chisholm, James, 181, 309.
Chisholm, M.P., T., 239.
Choquette, Hon. P. A., 162, 164, 167, 213, 325-327.
Chown, Rev. Dr. S. D., 157, 298, 299, 300, 550.
Christie, M.P., Peter, 239.
Churchill, M.P., Winston, 145, 387.
Clancy, ex-M.P., James, 56, 79, 90, 91, 95, 96, 169, 236, 296, 357.
Clare, M.P., G. A., 79, 93, 94, 240.
Clark, Dumont, 507.
Clark, K.C., J. M., 202, 336, 428.
Clark, Hon. W. Mortimer, 259, 260, 262, 267, 279, 550.
Clark, M.A., Judson H., 356.
Clark, Mrs. Mortimer, 567.
Clark, Rev. Prof. Wm., 557, 579.
Clarke, D. R., 519.
Clarke, Colonel Sir G. S., 404.
Clarke, J. A., 352.
Clarke, J. G., 449.
Clarke, M.L.A., G. J., 333.
Clarke, K.C., Sir Edward, 462.
Clark, M.L.A., Hugh, 266, 280, 449.
Clarke, M.P., A. H., 239.
Clarke, M.P., E. F., 22, 63, 90, 93, 144, 150, 166, 169, 185, 231, 240, 250, 600.
Cleaver, Rev. Dr. S., 550.
Clements, M.P., H. S., 239.

Clergue, F. H., 267, 271, 272, 507, 525.
Clifford, M.L.A., C. W. D., 349.
Cloran, Hon. H. J., 162, 231.
Clouston, E. S., 83, 505, 518, 519.
Clutton-Brock, J. A., 497.
Clyde, Lieut.-Col. T. C., 475, 480.
Coates, John, 283, 447.
Cobden, Richard, 381, 383, 433.
Cochrane, Lady Elizabeth, 139, 149.
Cochrane, Mayor James, 323, 324.
Cochran, W. Burke, 459.
Cochrane, M.P., E., 82, 239.
Cockburn, G. R. R., 388.
Cockburn, Sir J. A., 380.
Cockburn, V.C., Major H. Z. C., 477.
Cockshutt, M.P., W. F., 238, 296, 520.
Codd, Surgeon-Major A., 477.
Cody, Rev. Canon, 554, 556, 557.
Coffee, J. L., 508.
Cohoe, Lieut.-Col. J., 479.
Coleman, Prof. A. P., 546.
Colmer, C.M.G., J. G.. 427.
Colomb, M.P., Sir John, 415.
Colquhoun, A. H. U., 436.
Colter, Judge Charles Wesley, 161.
Colter, Charles Wesley, 356.
Congdon, F. T., 217-219, 220, 246, 352, 354, 542.
Conmee, M.P., James, 240, 267, 270, 271, 273, 274, 291, 293, 304.
Connaught, K.G., H.R.H. Duke of, 369, 404, 427, 442.
Connell, Dr. W. T., 356.
Cooke, K.C., R. S., 163.
Cooke, Lieut.-Col., J. P., 163, 164, 356.
Coombes, Thomas B., 567.
Cooper, J. A., 449, 599, 600.
Copeland, Hon. Henry, 77, 78, 400.
Copp, M.P., A. J. S., 21, 241.
Corby, ex-M.P., Harry, 255.
Cornish, Rev. Dr. Geo. H., 563, 564.
Coristine, James, 233.
Cory, W. W., 164.
Coste, M.E., Eugene, 545.
Costigan, M.P., Hon. John, 237, 241.
Coté, Thos., 254.
Cotton, Col. W. H., 475, 478, 483.
Coulson, Duncan, 519.
Courtney, Bishop, 554, 557.
Cowan, Geo. H., 233, 351.
Cowan, H. B., 355.
Cowan, M.P., M. K., 86, 237, 494.
Cowley, Hon. Sir Alfred S., 370.
Cowper, Earl, 369.
Cox, E. W., 517.
Cox, Harold, 395.
Cox, Hon. George A., 88, 101, 102, 197, 462, 486, 497, 498.
Cox, M.L.A., George, 327.
Coyne, William, 268, 283, 284.
Craig, B.D., Rev. Canon, 556.
Crane, Lieut.-Col. J. N., 479.
Crawford, M.P., John, 242.
Crean, Mayor J. F., 479, 480.
Creelman, Geo. C., 355.
Cremer, W. R., 461.
Crewe, Earl of, 389.
Crews, Rev. A. C., 550.
Crockett, M.P., O. S., 238, 241.
Crocket, Principal, 586.
Crosby, Mayor, 397.
Crosse, Lieut.-Col. G. R., 460.
Crowe, G. R., 37.
Cruickshank, Lieut.-Col. E. A., 449, 475, 479, 600.
Cullen, M., 462.
Culverwell, J. Alexander, 501.
Cumberland, M.A., Barlow, 135, 428, 444, 445.
Cumming, Melville, 585.
Cummings, Mrs. Willoughby, 568.
Cummings, William, 565.
Cummiskey, Hon. T. F., 336.
Cunningham, T., 535.
Curran, J. W., 271.
Currie, Dr. Morley, 263.
Currie, M.L.A., Dougald, 334.
Curzon, Lady, 373.
Curzon, Lord, 441.
Cushing, Rev. Father, 560.
Cushing, W. H., 58, 520.
Cyr, M.P., J. G., 242.

Daglish, Hon. H., 368.
Daley, Rev. J. T., 555.
Dalby, Henry, 234.
Daniel, M.P., J. W., 19, 31, 32, 87, 237, 241, 330, 472.
Dandurand, Hon. R., 117, 321, 322.
Dansereau, C. A., 223, 252.
Dartmouth, P. C., Earl of, 434.
Darby, LL.D., W. Evan, 434.
Darveau, Georges, 322.
Davidson, M.L.A., W., 349.
David, Senator, 37.
Davidson, Most Rev. and Rt. Hon. Dr. Randall, 374, 429-431, 558.
Davidson, Col. J. I., 475, 518.
Davidson, Hon. J. A., 126, 337, 339.
Davison, Lieut.-Col. H. M., 480.
Daignault, M.L.A., F. H., 323.
Davey, Arthur, 547.
Davey, Sir Humphrey, 443.
Davey, Lord, 354.
Davidson, William, 347,
Davies, Sir L. H., 168.
Davis, D.D., Very Rev. Evan, 556.
Davis, Hon. E. J., 150, 260, 265, 273, 279, 281, 286, 304. 530, 600.
Davis, M.P., T. O., 21, 80, 102-104, 108, 151, 164, 166.
Dawson, Dr. G. M., 100.
Dawson, G. W., 575.
Dawson, Hon. A., 368.
Dawson, Senator, 417.
Day, E. W., 536.
Day, Rev. Frank J., 550, 555.
Day, J. W., 327.
Deakin, Hon., Alfred, 368, 3 400, 402, 403.
Decarie, M.L.A., J., 324.
Deguise, C., 310.
Delisle, M.P., M. S., 240.
Delage, M.L.A., C. F., 324.
Demers, M.P., L. P., 237, 241.
Demers, M.P., L. J., 240.
Denison, jr., Major George T., 477.
Denison, R. F., 518.
Denison, Capt. and Brevet Lieut.-Col. S. J. S., 477.
Dennis, J. S., 479, 526, 538.
Denison, Lieut.-Col. G. T., 126, 162, 207, 407, 445, 446, 481, 600.
Derby, Earl of, 388, 405, 427.
Derbyshire, M.P., D., 238.
De Salaberry, Colonel, 150.
Desaulniers, Jeremie, 310.
Desjardins, Hon. A., 150.
Desjardins, M.P., S., 241.
Devonshire, Duke of, 379, 387, 388, 390, 414.
DeVarennes, M.P., Ernest, 311.
Dewart, K.C., H. H., 228, 280, 355.
DeWolf, J. E., 68, 503, 520.
Dibbs, Sir George R., 369.
Dickens, A. H., 520.
Dickey, Hon. A. R., 236.
Dickson, Rev. Dr., 553.
Dillingham, Capt., 460.
Dimock, Clarence H., 544.
Dion, M.L.A., M., 324.
Dobell, Hon. R. R., 168.
Dobson, C.M.G., Hon. Alfred, 370.
Dodd. I. H., 518.
Domville, Senator, 117, 477, 517.
Donahue, J. D., 160.
Donald, R. A., 39.
Donaldson, A. W. 577.
Donaldson, Lieut.-Col. J. B., 478.
Donelan, M.P., A. J. C., 432.
Donly, A. W., 463.
Donly, H. B., 229.
Donnelly, J. J., 31, 32.
Donoughmore, Earl of, 404.
Donovan, A. E., 295.
Douglas, Major-General C. W. H., 404.
Douglas, M.L.A., Dr. A. E., 333, 334, 336.
Douglas, George H., 520.
Douglas, J. M., 58.
Douglas, Judge G. B., 161.
Douglas, Vice-Admiral Sir A. L., 369, 374, 434.
Douglas, W. J., 440.
Dow, J. B., 159.
Dowling, Bishop, 559.
Dowling, J. L., 160.
Downey, M.L.A., J. P., 231, 265, 273, 295, 449.
Downie, B.D., Rev. Canon, 556.
Drake, Hon. J. G., 368.
Drayton, H. L., 269, 355.
Drake, Mr. Justice N. W. T., 356.
Drewry, E. L., 40.
Drouin, K.C., F. H., 140.
Drummond, George E., 39, 40, 82, 83, 409, 427, 428, 439, 441, 505, 520, 522.
Drummond, K.C.M.G., Senator Sir George, 83, 370, 372, 430.
Drummond, T. J., 271, 507, 523.
Drury, M.L.A., R. L., 349.
Dryden, Hon. John, 260, 262, 278, 287, 308, 566.
Dubeau, M.P., J. A., 240.
Duborge, A. E., 310.
Duff, J. S., 296.
Duff, K.C., Lyman P., 159.
Duff, Mr. Justice, 94, 503, 577.
Duff-Miller, C. A., 442.
Duff, Rev. Charles, 550.
Duff, Surgeon-Major H. R., 477.
Duffield, James, 497.
Duffy, C.M.G., Charles Gavan, 370.
Duffy, Hon. H. T., 313, 314.
Dufour, Pierre, 322.
Dugas, M.P., F. O., 240.
Dugas, Mr. Justice, 545.
Duhamel, Archbishop, 459, 559, 593.
Duhamel, M.L.A., J. E., 324.
Du Moulin, Bishop, 444, 557.
Duncan, J. H., 219.
Dundonald, Major-General, Earl of, 22-25, 110-150, 161, 162, 171, 178, 181, 194, 204-209, 211, 214, 215, 228, 243, 245, 293, 404 411, 438, 464-466, 470, 471, 473, 474, 476-478, 481, 482.
Dunlop, K.C., John, 161.
Dunlop, M.P.P., E. A., 265, 280, 357.
Dunn, Hon. H. T., 330.
Dunraven, Lord, 432.
Dunsmuir, James, 355.
Dunwoody, W. D., 462.
Dupuis, M.L.A., F. X., 323, 326.
Durham, Earl of, 374.
Drysdale, Hon. A., 328, 329.
DuVal, Rev. Dr., 551.

Du Vernet, E. E. A., 255, 284.
Du Vernet, M.A., Rev. F. H., 558.
Dyer, Dr., 130.
Dyer, H. M., 536.
Dyment, M.P., A. E., 229, 238.
Dyonnet, E., 462.

Earle, M.P., T., 91.
Eddy, E. B., 242.
Eden, Bishop, 556, 558.
Edward VII., 115, 116, 131, 139, 145, 159, 366, 367, 370, 372, 373, 388-90, 404, 425, 428, 435, 436, 438, 439, 442, 444, 446, 447, 468, 469, 473, 483, 484, 519, 579, 595.
Edwards, Lieut.-Col. M. B., 479.
Edwards, Major E. A. W., 459.
Edwards, Hon. W. C., 33, 311, 316.
Egan, H. C., 461.
Ellis, Senator, 36.
Ellis, Lieut.-Col. C. S., 475.
Ellis, John F., 135, 327, 520.
Ellis, R. Y., 508.
Elliot, Lady Eileen, 371.
Elson, M.P., Peter, 239.
Emery, Rev. Dr. J. E., 593.
Emmerson, M.P., Hon. H. R., 17, 18, 26, 27, 32, 80, 82, 150, 157, 160, 168, 221-224, 231, 251, 486, 496.
Emerson, R. B., 162.
Erb, M.P., R. K., 106.
Esher, Lord, 473.
Eton, George W., 526.
Euston, Earl of, 434.
Evans, Sanford, 160, 199, 200, 232, 345, 356.
Evans, W. Herbert, 524.
Evans, Lieut.-Col. G. T., 479.
Evans, William, 368.
Evans, J. N., 347.
Evans, Col. T. D. B., 372.
Evanturel, Hon. F. E. A., 287, 289, 292.
Evanturel, A.D.C., Lieut.-Col. G. T. A., 478.
Ewart, K.C., J. S., 161, 437.

Fairbanks, Hon. C. W., 455.
Falconbridge, Mrs. W. G., 567.
Falconbridge, Chief Justice, 267.
Falconer, Rev. Dr. R. H., 551.
Fallon, Rev. Dr. M. F., 560, 561.
Farady, Michael, 443.
Farthing, M.A., Rev. Canon, 158, 556.
Faribault, E. B., 544, 545.
Fergie, M.E., Charles, 523.
Ferguson, Dr. John, 444.
Ferguson, Rev. Father, 560.
Ferguson, Mr. Justice, 161, 448.
Fielding, Hon. W. S., 26, 34-36, 41, 49-54, 68, 81, 82, 88, 97, 106, 110, 151, 152, 168, 182, 231, 235, 236, 238, 241, 244, 346, 390, 424, 456, 519.
Finlay, M.P., John, 239.
Findlayson, M.P., D., 241.
Finlayson, M.P., Duncan, 327.
Flemming, M.L.A., J. K., 331, 363.
Flett, John A., 231.
Fisher, A., 368.
Fisher, W. S., 40.
Fisher, Admiral Sir John, 389, 404.
Fisher, Hon. Sydney, 22, 28, 33, 115-123, 125, 127-135, 143, 149, 168, 204, 205, 209, 226, 238, 243.
Fiset, D.S.O., Colonel, 461, 478.
Fiset, M.L.A., Dr. L. P., 213, 324.
Fitzpatrick, Hon. Charles, 21, 25, 27, 38, 39, 66, 103, 104, 108, 110, 168, 189, 225, 237, 241, 252, 372, 518.
Fitchett, Dr. W. H., 440.
Fitzpatrick, M. H., 569.
Flavelle, J. W., 280, 294, 550.
Fleming, K.C.M.G., Sir Sandford, 444.
Fleming, R. J., 286, 571, 601.
Flint, Magistrate, 256.
Floyd, Lieut.-Col. W. H., 479.
Flynn, Hon. E. J., 314, 315, 317, 319, 320, 321, 324, 360, 361.
Flumerfelt, A. C., 539.
Flux, Prof. A.W., 456.
Folger, B. W., 501, 547.
Forbes, K.C.A., J. Colin, 447.
Ford, Frank, 356.
Forgan, J. B., 462.
Forget, Lieut.-Gov. A. E., 340, 537, 587.
Forget, M.P., Rodolphe, 36, 222, 240, 254.
Forrest, Principal, 553.
Forrest, Sir John, 417.
Forster, J. W. L., 449.
Fortier, M.P., E., 240.
Fortin, Archdeacon, 556.
Foss, Geo. E., 458.
Foss, Eugene Noble, 451, 452, 455, 457.
Foster-Fraser, F.R.G.S., John, 434.
Foster, Hon. G. E., 29, 31, 32, 41, 169, 179, 185, 189, 192-195, 226, 231, 236, 238, 240, 250, 295, 393, 397-399, 434, 435, 455, 456.
Foster, John W., 458.
Fotheringham, Lieut.-Col. J. T., 477.
Fowler, G. W., 122, 241, 472.
Fox, Charles James, 184.
Foy, K.C., M.L.A., J. J., 264, 265, 267, 268, 294.
Foy, John, 508.
Franksen, Herr, 461.
Fraser, M.L.A., A. L., 336.
Fraser, K.C., A. W., 161.
Fraser, D. C., 33, 159.
Fraser, Rev. D. S., 569.
Fraser, Graham, 507, 508.
Fraser, M.L.A., Geo. A., 349, 350.
Fraser, K.C.B., Major-Gen. Sir Thos., 434.
French, Nathaniel, 457.
Frost, C.M.G., Hon. John, 370.
Fudger, H. H., 550.
Fuller, C.M.G., Thos. Ekins, 370.
Fulton, R. H., 509.
Fulton, M.L.A., Hon. F. J., 346, 351, 549.
Furlong, K.C., L. O'B., 424.
Furrill, G. B., 271.
Fyshe, Thomas, 509, 519.

Gagnier, Lieut.-Col. L. A., 479.
Gagnon, C. A., 462.
Galbraith, B.S.A., Stewart, 446.
Gallant, M.L.A., B., 336.
Gallery, M.P., Dan., 240.
Galliher, M.P., W. A., 242, 247.
Galloway, Lieut.-Col. J., 454, 477.
Galvin, P. J., 283, 284.
Gamey, M.L.A., R. R., 190, 192, 243, 261-265, 273, 286, 289, 293-295, 303, 308, 309, 356.
Ganong, M.P., G. W., 82, 241.
Gartshore, Lieut.-Col. J. F., 475.
Garneau, Hon. Pierre, 310.
Garneau, M.P., E. B., 310.
Garvin, J. W., 355.
Gates, Rev. G. O., 566.
Gauthier, Archbishop, 559, 560.
Gauvreau, M.P., C. A., 237, 241.
Geoffrion, M.L.A., A., 324, 325.
Geoffrion, M.P., Victor, 240.
Geoffrion, Hon. C. A., 168.
George, W. K., 40, 41.
Georgeson, William, 58.
German, M.P., W. M., 240.
Gerrie, Rev. J. P., 550.
Gervais, K.C., Honoré, 31, 237, 240, 446, 447.
Giard, M.L.A., A. W., 316, 321, 323, 324.
Gibbons, H. E., Cardinal, 560, 593.
Gibbons, K.C., George C., 185.
Gibson, Hon. J. M., 65, 120, 121, 151, 156, 255, 265-269, 272, 282, 284, 287-289, 295, 303-305, 475, 478, 600.
Gibson, T. A., 596.
Gibson, T. W., 545, 546.
Gibson, Hon. William, 287, 288, 572.
Gibson, Major J. G., 481.
Gildersleeve, C. F., 501.
Gill, John M., 508.
Gillies, M.L.A., D., 324.
Gilmour, Rev. J. L., 552.
Gilzean-Reid, LL.D., M.P., Sir Hugh, 434, 449.
Girard, M.P., Jos., 240.
Girouard, Sir Percy, 442.
Gladu, M.P., J. E. O., 241.
Gladstone, Rt. Hon. William E., 289, 407, 449.
Glasgow, Major S. H., 114, 129, 482, 479.
Glazebrook, Rev. Canon, 434.
Glen, F. W., 454, 459.
Gobeil, I.S.O., Antoine, 370.
Godbout, M.L.A., J. A., 323.
Godkin, M.L.A., George, 336.
Goggin, M.A., D. J., 577, 578.
Gompers, President, 458.
Gooderham, E. G., 508.
Gooderham, George, 547.
Goodridge, A. F., 419, 420.
Gordon, Col. W. D., 115, 483.
Gordon, M.P., D. A., 239, 355.
Gordon, D.SC., Mrs. Ogilvie, 568.
Gordon, J. T., 338.
Gordon, Lady Marjory, 442.
Gordon, Rev. C. W., 160, 553, 568, 600.
Gordon, Rev. J. L., 550.
Gordon, Very Rev. Principal, 444, 594, 595.
Gordon, Hon. D., 392.
Goschen, Lord, 387.
Gosnell, R. E., 233, 346, 600.
Gosselin, M.L.A., F., 324.
Gosselin, M.L.A., J. J. B., 324.
Gouin, M.L.A., Hon. Lomer, 159, 310, 312, 314, 322-326.
Gourlay, M.P., S. E., 89, 236, 472.
Grafton, Duke of, 434.
Graham, M.L.A., Hon. G. P., 166, 230, 255, 256, 265, 286, 287, 289, 291, 300, 306, 309.
Graham, Hugh, 31, 222, 225, 252, 254.
Grammont, Duc de, 148.
Grant, M.P., George D., 19.
Grant, Lieut.-Col. J. A., 477.
Grant, M.P., G. D., 239.
Grant, Mrs. Forsyth, 567.
Grant, Sir James, 113.
Geary, Gen. Sir Henry, 434.
Greeley, M.L.A., H. A., 341.
Green, Hon. R. F., 233, 349.
Greene, K.C., Hon. H. J., 424.
Grenier, M.P., L. P., 213.
Greenway, M.P., Hon. Thos., 232, 238, 242, 337-340, 364, 391, 463, 527.
Greenway, J. W., 160.
Greenshields, E. B., 497.
Greenshields, K.C., J. N., 222, 224, 251, 252.
Greenwood, S., 524.

Greer, Lieut.-Col. F. C. B., 479.
Gregory, Lieut.-Col. R. W., 24, 114, 129, 479, 482.
Greig, Prof. Wm., 553.
Gendron, M.L.A., F. A., 324.
Grenfell, General Lord, 405.
Grenfell, M.P., W. H., 373, 380.
Grenier, L.S.O., Gustave, 370.
Grey, Countess, 375, 376.
Grey, Earl, 374-376, 379, 429.
Grey, Lady Evelyn, 375.
Grey, Lady Sybil, 375.
Grey, M.P., Sir Edward, 385, 387.
Grier, K.C., A. Monro, 444.
Grier, Major E. Wyly, 449, 480.
Griffin, Ald. D., 322.
Griffin, F. T., 490.
Griffin, S. B., 457.
Griffin, S. R., 33.
Griffin, Watson, 38.
Griffith, G. L., 93.
Griggs, H. L., 462.
Grimmer, M.L.A., W. C. H., 331.
Grisdale, Bishop, 556.
Guerin, Hon. Dr. J. J., 322, 323, 327.
Guerin, K.C., Edouard, 356.
Guernsey, H. B., 518.
Guibord, M.P.P., 266.
Gullen, Mrs. Augusta Stowe, 568.
Gunn, M.P., B. B., 239.
Gurney, E., 501, 508.
Guthrie, M.P., Hugh, 33, 183, 228, 240, 287.

Haanel, Dr., 525.
Hackett, J. W., 48.
Hackett, Hon. M. F., 28, 29, 166, 236, 238, 319, 561.
Hagerdon, C. A., 355.
Haggart, M.P., Hon. J. G., 63, 78, 88, 91, 108, 134, 169, 239, 390, 497.
Haldane, K.C., M.P., Rt. Hon. R. B., 340.
Hale, Lorn, 280, 281.
Haley, B.A., Rupert G., 565.
Hall, M.P., R. R. 239.
Hall, Mr. Justice, 164.
Hall, W. C. J., 538.
Hamilton, Colonel J. G., 434.
Hamilton, Lord George, 387.
Hamilton, Rev. C. W., 563.
Hamilton, T. H., 518.
Hamlin, F., 271.
Hammond, J. B., 462.
Hanna, D. B., 495.
Hanna, W. J., 271, 272, 274, 295, 308.
Hannah, President, 594, 598.
Harcourt, G. A., 269.
Harcourt, Hon. R., 151, 287, 301, 580, 590-593.
Harcourt, Sir William, 367, 432.
Hardy, Hon. A. S., 309.
Harmsmouth, Sir Alfred, 419, 434.
Harper, J. M., 594.
Harrington, R., 524.
Harris, R., 449, 462.
Harrison, Lieut.-Col. E., 478.
Harrison, Rev. J. M., 563.
Harrison, W. L., 271.
Harryett, Samuel, 256.
Hart, Rev. E. J., 553.
Hartt, M.L.A., T. A., 333.
Harty, M.P.. Hon. W., 239.
Hartzell, Bishop J. C., 463.
Harvey, F.R.S.C., Arthur, 536.
Harvey, Horace, 161.
Harwood, ex-M.P., Stanislaus, 163.
Haslam, J. H., 35, 198.
Haszard, M.L.A., F. L., 336.
Hastings, G. V., 519.
Hastings, W. H., 166, 243.
Haszard, Horace, 31.
Haultain, Hon. F. W. G., 33, 163, 171, 185, 202-204, 233, 341-345, 364.
Hay, F. W., 491.
Hay, Secretary, 234, 450.
Hayes, Rev. Father, 561.
Hays, Charles M., 67, 69, 70, 72, 73, 88, 90, 92-96, 101, 102 197, 246, 247, 491, 492, 494, 497, 498.
Hazen, M.L.A., J. Douglas, 32, 332, 333.
Head, S. L., 36, 161.
Healy, T. M., 146, 147.
Heaps, E. H., 48.
Heartz, Rev. Dr. W. H., 550.
Heaton, E. P., 516.
Hegler, Lieut.-Col. J. C., 479.
Hellmuth, K.C., I. F., 280.
Helmcken, H. Dallas, 87.
Hemming, Lieut.-Col. T. D. R., 478.
Henderson, M.L.A., Stuart, 349.
Henderson, M.P., D., 89, 91, 181, 239.
Henderson, Rev. Dr., 550.
Henderson, Robert, 162.
Hendrie, M.L.A., Lieut.-Col., 268, 273, 275, 475.
Hendry, J., 40, 49.
Heneker, D.S.O., Major W. C. G., 444.
Heneker, R. W., 444.
Henry, Hon. Hugh M., 159.
Herbert, Sir Robert, 380.
Hernon, A. T., 437.
Herridge, Rev. Dr. W. T., 551.
Herron, M.P., John, 242.
Heyd, M.P., C. B., 57, 63, 378, 472.
Hibbard, Lieut.-Col. F. W., 116.
Hickman, Albert, 440.
Hickory, Rev. David, 563.
Hicks-Beach, Sir Michael, 415, 416.
Hicks, R. W., 445.
Higgins, Hon. D. W., 49.
Higgins, K.C., H. B., 368.
Hill, Hon. G. F., 331.
Hill, J. J., 454, 502, 526.
Hill, M.A., Ven. A. C., 556.
Hill, Rev. Dr. E. M., 550.
Hinchman, C. S., 271, 507.
Hincks, Rev. Dr. W. H., 553.
Hingston, Sir W. H., 140.
Hobbs, Rev. Richard, 563.
Hodgetts, Dr. C. A, 355.
Hodgins, Judge, 448.
Hodgins, K.C., Thomas, 436.
Hodgins, Lieut.-Col. W. E., 483.
Hodgins, Major A. E., 442.
Hodgins, M.A., J. George, 595.
Hodgson, A. J., 427, 441.
Hodgson, Jonathan, 42.
Holden, E. H., 434.
Holland, V.C., Lieut. E. J., 481.
Holland, M.P., Sir W. H., 388.
Holmes, Colonel J. G., 483.
Holmes, ex-M.P., Robert, 291.
Holmes, Lieut.-Col. Urias H., 480,
Holmstead, G. S., 448.
Holt, H. S., 83, 509.
Holton, Edward, 188.
Hope, W., 462.
Hopkins, J. Castell, 159, 394, 423 600.
Hopkins, David, 284.
Horwood, Hon. Sir W. H., 370.
Hosmer, C. R., 140.
Hosmer, E. A. C., 536.
Hossack, Rev. D. C., 303, 553.
Howe, H. Aspinall, 596.
Howe, Robert, 515.
Howden, J. H., 337.
Howley, Archbishop, 422, 423.
Hoyles, K.C., N. W., 441.
Hoyles, M.L.A., W. H., 265, 267, 277, 295.
Hubert, P., 310.
Hughes-Charles, D., 520.
Hughes, Judge D. J., 161.
Hughes, M.P., Lieut.-Col. Sam., 89, 119, 121, 122, 125, 128, 133, 144, 150, 169, 181, 211, 240, 250 410, 438, 470, 472, 475.
Hughes, M.L.A., Hon. Geo. E., 333, 336.
Hughes, M.P., J. J., 241.
Hughes, T. P., 20.
Hughes, W. M., 368.
Hume, Prof. J. G., 571.
Hunt, M.P., A.B., 240.
Hunter, Capt. A. T., 163, 231, 289, 290, 308, 444.
Hunter, Chief Justice Gordon, 356, 577.
Hurdman, Lieut.-Col. W. G., 475.
Husson, Rev. Father, 100.
Hutchinson, H. W., 520.
Hutchinson, K.C., Matthew, 163, 314.
Hutchinson, William, 449, 461.
Hutchings, R. J., 58.
Hutt, Prof. H. L., 538.
Hutton, General Sir E. T. H., 417.
Hutton, M.A., Principal Maurice 444.
Huycke, K.C., E. C. S., 160.
Hyde, Rev. T. B., 550, 551.
Hyman, M.P., Hon. Charles Smith, 26, 27, 229, 237, 239.

Idington, K.C., John, 160.
Imlah, Lieut.-Col. W. E., 477.
Inch, Dr. J. R., 586.
Ingall, Elfric Drew, 542.
Inglis, John, 520.
Ingram, M.P., A. B., 91, 133, 239.
Irving, D.O.C., Lieut.-Col. J. D., 475.
Irving, Col. J. D., 483.
Irving, Mr. Justice, 356.
Irving, M.L.A., D. P., 336.
Irvine, Hon. W. H., 368.
Inwood, F. G., 309.
Isaacs, Hon. Isaac, 401.

Jackman, Hon. E. M., 418, 422, 423.
Jackson, M.P., S. J., 242.
Jackson, Mayor C. H., 61.
Jackson, M.P., W., 239.
Jackson, J. B., 24, 104, 105, 521.
Jaffray, Robert, 286, 287, 355, 501, 600.
Jameson, Hon. Dr. L. S., 367, 374, 443.
James, Hon. W. H., 368.
James, C. C., 528, 600.
Jarvis, Lieut.-Col. A. L., 479.
Jarvis, Tennyson D., 546.
Jarvis, E. F., 475.
Jeans, J. S., 80.
Jenkins, Lieut.-Col., S. R., 477.
Jenkins, Charles, 31.

Jenkins, Hon. J. G., 368.
Jenison, E. S., 267.
Jersey, Earl of, 369.
Jetté, K.C.M.G., Sir Louis, 313, 319, 448.
Jobin, M.L.A., Dr., 322-324.
Johnson, Lieut.-Col. H. D., 477.
Johnson, C. R. G., 516.
Johnson, Hon. James, 337.
Johnson, George, 377, 523, 524.
Johnson, K.C., E. F. B., 286.
Johnson, Hon. Thomas, 327.
Johnston, K.C., Adam, 161.
Johnston, M.P., T. G., 239.
Johnston, W. R., 295.

Johnston, M.P., Alex., 241.
Jones, Hon. A. J., 329, 460.
Jones, Sydney H., 445.
Jones, M.L.A., W. P., 330.
Jones, Ald. S. Alfred, 565.
Jones, Sir Alfred, 380, 441.
Jones, H. V., 537.
Jones, Rev. S. Weston, 593.
Jordan, of Stanford University, President, 458.

Kaine, M.L.A., J. C., 323, 324.
Kay, George F., 546.
Kaulbach, M.P., Lieut.-Col., 79.
Kearney, I. J., 217, 220.
Keary, Mayor, 49.
Kenny, J. J., 518.
Keifer, Fred., 545.
Kelly, R., 355.
Kelly, M.L.A., Patrick, 334.
Kelly, M.L.A., J. H., 323.
Kelly, Rev. Father, 560, 561.
Kemp, M.P., A. E., 91, 237, 240, 280.
Kennard, Lieut.-Col. J. F., 479.
Kendall, M.L.A., Dr. A. S., 327.
Kendall, ex-M.P., Arthur, 235.
Kennedy, James, 234.
Kennedy, M.P., J. B., 242.
Kendry, M.P., James, 42, 236.
Kerr, K.C., Hon. J. K., 287, 288.
Kettlewell, Rev. William, 300.
Kickham, Thomas, 334.
Kickham, M.L.A., John, 336.
Kidner, T. B., 585.
Kidd, M.P., Edward, 239, 250.
Kilpatrick, Rev. Dr., 284, 568.
Kingham, Joshua, 247.
King, W. F., 498.
King, M.A., W. L. Mackenzie, 163.
King, Lieut.-Col. Frank, 481.
King, Lieut.-Col. A. H., 478.
King, Senator G. G., 18.
King, Mayor, 36.
Kleczkowski, K., 460.
Kirby, M.E., E. B., 545.
Kittson, H. N., 520.
Knappen, Theodore M., 527, 557.
Knowles, F. McG., 462.
Knowlton, W. H., 95.
Knox, Sir Ralph, 405.
Kyle, G. A., 92, 95, 96.

Lachance, M.P., A., 240.
Lacombe, M.L.A., G. O., 324.
Lacoste, Chief Justice, 372.
Laferte, M.L.A., J., 324.
Lafleur, K.C., Eugene, 322.
Lafranc, P. A., 519.
Lafontaine, M.L.A., Georges, 310, 323.
Lafontaine, M.L.A., J., 310, 323.
Lafontaine, Sir L. H., 186.
Laird, Rev. Alex., 483.
Laird, H. W., 58.
Lake, C.B., Major-General P. H. N., 475-478.
Lake, M.P., R. S., 242.
Lalor, M.P., F. R., 239.
Lambert, H. M., 516.
Lamont, M.P., J. H., 242.
Lamothe, K.C., Gustave, 150.
Lancaster, M.P., E. A., 20, 21, 25, 63, 79, 89, 239.
Lanctot, K.C., Charles, 162.
Lanctot, M.P., Roch, 240.
Landry, Judge, 226.
Landry, Lieut.-Col. A. C. P., 117, 148.
Landry, Lieut.-Col. Hon. P., 475.
Lane, Campbell, 185.
Lane, jr., R. O. B., 340.
Langelier, Hon. C., 460.
Langelier J. C., 311, 315.
Langelier, Mr. Justice, 327.
Langeloth, Jacob, 508.
Langevin, Archbishop, 180, 596.
Langford, Rev. Mr., 569.
Langille, R. M., 524.
Langlois, M.L.A., Godefrol, 321-324.
Langmuir, J. W., 461.
Lansdowne, Lord, 28, 367, 369, 379, 381, 387, 388, 404, 424, 425.
Lapointe, M.P., E., 240, 310.
Laporte, Mayor, 65, 372, 518.
Lariviére, A. A. C., 236.
Larke, J. S., 400, 441, 521.
Larkin, P. C., 309.
Latchford, Hon. F. R., 260, 274, 275, 287, 289.
Lathern, Rev. Dr., 551.
Laurier, M.P., Charlemagne, 237, 240.
Laurier, Lady, 246.
Laurier, M.P., Rt. Hon. Sir Wilfrid, 18, 20, 22, 23, 25, 26, 28, 31, 34, 35, 38, 41, 52, 53, 55, 67, 70, 73, 74, 79, 84, 85, 87, 88, 91, 103, 104, 106-108, 117, 118, 121, 124, 133-135, 137, 139, 141-143, 145-148, 151, 152, 156, 159, 161, 163-168, 171, 174-176, 179, 181-185, 188, 189-191, 193-197, 202-204, 210-217, 224, 225, 229, 231, 232, 236, 237, 241, 242, 244, 246, 247, 251-253, 289, 295, 303, 306, 307, 319, 321, 322, 325, 341, 342, 344, 346, 351, 353, 370, 373, 375, 377, 380, 383, 385, 393, 396, 398, 401, 413, 414, 427, 435, 436, 440, 445, 448, 456, 459, 475, 486, 497, 538, 575, 593.
Laurin, Lieut.-Col. V. de L., 475.
Laval, Mgr. de, 560.
Lavell, M.P., J. R., 91.
Lavergne, M.P., Armand, 31, 32, 213, 240, 396.
Lavergne, M.P., L., 237, 240.
Law, M.P.P., B. B., 241.
Lawley, Colonel, 445.
Lawrence, M.P., F. A., 238, 241, 327.
Lawrence, M.L.A., Col. H. T., 327, 479.
Leach, R. E. A., 166.
Leavitt, T. W. H., 166.
LeBlanc, M.P., O. J., 241.
LeBlanc, M.L.A., Hon. P. E., 29, 33, 150, 319, 321, 323, 395.
LeCain, Lieut.-Col. G. A., 479.
Lecky, Rt. Hon. Wm. E. H., 443.
Leclair, Ald., 314.
Lee, J. Tatnell, 507.
Leeming, Frank, 234.
Leet, K.C., S. P., 161.
Lefurgey, M.P., A. A., 69, 79, 241.
Leger, M.L.A., C. M., 331.
Legris, Hon. J. H., 311, 325, 326.
Lemay, M.L.A., N., 323.
Lemieux, M.L.A., Dr. J. L., 325.
Lemieux, K.C., Hon. Rodolphe, 24-27, 86, 143-145, 159, 168, 174, 210, 240, 354, 372, 395, 428, 449, 450.
Langevin, Archbishop, 561.
Lennox,, M.P., Haughton, 25, 79, 91, 103, 104, 106-108, 239.
Leonard, M.P., J. E. E., 240.
Leonard, T. E., 501.
Leslie, J. Knox, 183.
Lessard, C.B., Col. F. L., 128, 372. 481.
Levalte, H. C. V., 524.
Lewis, M.P., E. N., 239.
Lewis, Rev. J. P., 573.
Libby, W. L., 544.
Lichfield, Earl of, 434.
Lighthall, Lieut.-Col. A., 483.
Lighthall, W. D., 63, 322, 438.
Lind, John, 453.
Lindley, Lord, 354.
Lindsey, K.C., G. G. S., 508.
Lisgar, Lord, 441.
Lister, Capt. F. A., 478.
Lister-Kaye, Bart., Sir J. P., 434.
Little, Archibald, 162.
Little, A. M., 280.
Littlejohn, G. S., 401.
Lloyd, David, 356.
Lloyd, George D., 145, 146.
Lloyd-Wise, Sir William, 41, 400, 434.
Lodge, Senator H. Cabot, 452, 453.
Logan, M.P., H. J., 17, 33, 241, 328, 378.
Loggie, W. S., 241, 330, 363.
London, President, 538, 578, 590-592.
Longley, Hon. J. W., 356, 399, 437, 460, 600.
Longworth, Lieut.-Col. J. A., 480.
Lott, Byron O., 254-256, 295.
Lotbiniére, Sir H. Joly de, 168.
Lott, P. A., 254, 255.
Lougheed, Hon. J. A., 150.
Lovell, M.P., Henry, 241.
Low, Commander A. P., 154-157.
Lowell, M.L.A., James, 330.
Lucking, Congressman, 453.
Lucy, H. W., 436.
Lugrin, C. H., 98, 233, 247.
Lumsden, Alexander, 508.
Lumsden, C.E., H. D., 95, 101, 497.
Lyon, Geo. S., 461.
Lyttelton, Rt. Hon. Alfred, 369, 373, 375, 387.
Lyttelton, Lieut.-Gen. the Hon. Sir N. G., 374, 404.
Lynch, M.L.A., Walter, 356, 536.
Lyne, Sir William, 403.

Madden, J. W., 524.
Maddison, M.P., Fred., 461.
Mader, M.L.A., Charles V., 327.
Magee, Charles, 508.
Maguire, ex-Chief Justice, T. H., 58.
Magee, K.C., James, 161.
Magee, J. A., 58.
Mahaffy, M.L.A., A. A., 264, 280, 296.
Mahon, H., 368.
Major, C. B., 315.
Mallette, Lieut.-Col. A., 479.
Mann, D. D., 495, 496.
Mason, Lieut.-Col. James, 112, 423, 432, 445, 475, 480, 508.
Massey, Chester D., 550, 555.
March, Surgeon-Lieut.-Col. J. E., 478.
Marchildon, M.L.A., M. A., 324.
Marcil, M.P., Charles, 151, 194, 240, 439.
Marcil, M.P., J. E., 240.
Marks, G. T., 60.
Marlborough, Duke of, 373, 388.
Marter, G. F., 299, 571.
Martin, B.A., Chester B., 577.
Martin, J. J., 459.
Martin, K.C., Joseph, 167, 234.
Martin, Mower, 449.
Martin, M.P., Alex., 241.
Martin, M.P., T., 240.
Martin, Rev. Dr. W. J., 553.
Mathers, Isaac H., 461.
Matheson, Alexander, 536.
Matheson, Bishop, 556, 568.
Matheson, M.L.A., Lieut.-Col. A. J., 275, 296, 334, 336, 360, 392.
Matthewson, F. H., 37.
Mathew, Dr. Auguste, 310, 314.

Maude, Major, 371.
Maxwell, M.L.A., Robert, 330.
Maxwell, Sir Herbert, 381.
May, M.V.O., Rear-Admiral W. H., 369.
Mayrand, M.P., H., 240.
Macaulay, Mrs. James, 567.
Macaulay, T. B., 440.
Macbeth, K.C., Talbot, 160.
Macdiarmid, R. G., 296.
Macdonald, 31.
Macdonald, 186.
Macdonald, Hon. H. J., 169, 232, 236.
Macdonald, Hon. W. J., 198.
Macdonald, Hon. John Sandfield, 304.
Macdonald, I.S.O., Col. D. A., 475, 478.
Macdonald, M.L.A., J. A., 338, 347, 356.
Macdonald, J. A., 18, 148, 149, 240, 247, 249, 600.
Macdonald, John K., 356.
Macdonald, J. R., 403, 404.
Macdonald, Lieut.-Col. A. H., 475.
Macdonald, Lieut.-Col. W. C., 483.
Macdonald, M.L.A., E. M., 238, 241, 327, 329.
Macdonald, Randolph, 509.
Macdonald, Rev. J. A., 289, 357, 550, 594.
Macdonald, Sir John, 82, 142, 167, 168, 188, 213.
Macdonald, Sir W. C., 263, 331, 537, 578.
Machray, Archbishop, 556, 558.
MacKay, Dr. A. H., 538, 585.
Mackay, Rev. Dr. W. A., 302, 553.
Mackay, Senator, 519.
Mackay, William, 518.
McKellar, Hon. Charles, 442.
Mackenzie, Alexander, 183.
Mackenzie, Hon. A., 106, 177.
Mackenzie, K., 518.
Mackenzie, Lieut.-Col. J. D. B. F., 479.
Mackenzie, M.L.A., P. S. G., 324.
Mackenzie, Mrs. W., 567.
Mackenzie, William, 490, 495, 496.
MacKinnon, Donald, 368.
Mackinnon, K.C., M.P., D. A., 335.
Macklem, Rev. Dr. Street, 557.
Maclaren, Albert, 519.
MacLaren, M.P., A. F., 239.
Maclaren, M.P., W. S., 117.
Maclaren, Mr. Justice, 555.
Maclean, B.A., John, 577.
Maclean, M.P., A. A., 241.
Maclean, M.P., A. K., 327.
Maclean, M.P., W. F., 25, 62, 64, 66, 67, 80, 83, 155, 169, 240, 243, 440, 472, 502.
MacMahon, Mr. Justice, 561.
MacMahon, Mrs. H., 567.
MacMaster, K.C., Donald, 424, 428, 445, 462.
MacNachtan, Lieut.-Col. N. F., 477, 482.
MacNaghten, Lord, 354.
MacNamara, P. B., 521.
MacNaughton, Rev. Prof., 595.
Macoun, Dr. John, 99.
Macoun, J. M., 98-100, 526.
Macpherson, M.P., R. G., 36, 228, 237, 242.
Macpherson, W. Molson, 140.
McAvity, Thos., 32.
McBrady, Rev. Father, 560.
McBride, Hon. Richard, 18, 171, 233, 348-350, 364.
McCahan, W. J., 271.
McCall, Roderick, 356.
McCarthy, D'Alton, 36, 151.
McCarthy, Hon. R. H., 41.
McCarthy, Jeffrey A., 279.
McCarthy, M.P., L. G., 229, 239.
McCarthy, M.P., M. S., 242.
McCaul, Dr., 592.
McCay, Hon. J. W., 368.
McCharles, A., 545.
McCoig, M.L.A., A. B., 357.
McColl, R. M., 329.
McCool, M.P., C. A., 239.
McCool, M.P., J. B., 239.
McCorkill, Hon. J. C., 115, 308, 311, 323, 327, 360.
McCrimmon, Judge, 159.
McCurdy, Rev. E. A., 408.
McDonald, Alex., 234.
McDonald, D. L., 36.
McDonald, Hon. James, 159.
McDonald, Hon. W., 109.
McDonald, M.L.A., A. J., 336, 392.
McDonald, M.L.A., D. H., 341.
McDonald, M.L.A., James, 329.
McDougal, D. J., 288, 291, 309.
McDougall, Edgar, 523.
McDougall, C.M.G., J. Lorne, 22. 23, 103, 104, 106-110, 176, 179, 180, 215, 216, 482, 519.
McDougall, Major J. A., 482.
McDougall, Thomas, 519.
McDowell, H., 520.
McEwen, H. D., 336.
McEwan, Lieut.-Col. R., 479.
McEvoy, K.C., J. M., 356.
McFadyen, Prof., 558.
McGill, J. J., 39.
McGuigan, F. H., 49, 494.
McGuigan, Major, 591.
McGregor, Hon. G., 368.
McGregor, M.L.A., R. M., 327.
McGregor, Sir William, 366, 419.
McHenry, E. H., 503.
McIsaac, M.P., C. F., 241.
McInnes, D.S.O., Major, 442.
McInnes, M.L.A., W. W. B., 233, 247, 349.
McInnes, W. R., 339.
McInnis, Dr. S. W., 337.
McInnis, M.L.A., J. D., 336.
McIntosh, Rev. W., 555.
McIntyre, B.A., Principal W. A., 578.
McIntyre, D. M., 295.
McIntyre, L. C., 39.
McIntyre, Lieut.-Gov. P. A., 334, 335.
McIntyre, M.L.A., A. D., 341.
McIntyre, M.P., G. H., 239.
McIntyre, Sir John, 369.
McIsaac, M.L.A., James, 334.
McKay, M.L.A., Hon. A. G., 279, 284, 286, 287, 289, 292, 295, 300.
McKay, Rev. A. W., 576.
McKay, B.A., Rev. W. J., 553, 566, 600.
McKay, Rev. Dr. R. P., 551.
McKean, George, 234.
McKellar, Hugh, 357.
McKenzie, Lieut.-Col. R., 479.
McKenzie, M.P., D. D., 241, 327-329.
McKenzie, M.P., P. H., 238.
McKeown, K.C., Hon. H. A., 31, 32, 221, 237, 330, 331.
McKillop, J. B., 356.
McKinnell, James R., 219.
McKinnon, James, 519.
McKinnon, M.L.A., N., 336.
McLaren, Rev. Dr. E. D., 553, 555.
McLaren, Robert, 520.
McLaren, Rev. Dr. Wm., 553.
McLatchy, M.L.A., H. F., 331.
McLaughlin, D. J., 151, 234.
McLean, Alex., 521.
McLean, Lieut.-Col. H. H., 475.
McLean, Hon. A., 368.
McLean, K.C., Angus A., 31.
McLean, M.P., A. K., 241.
McLennan, J. K., 234.
McLennan, M.P., Angus, 241.
McLennan, R. P., 218.
McLeod, H. C., 462.
McLeod, J. B., 356.
McLeod, M.L.A., R. C., 333.
McLeod, M.L.A., Daniel, 328.
McMaster, K.C., Donald, 185, 222.
McMillan, B.A., J. G., 547.
McMillan, B.S.A., E. J., 446.
McMillan, K.C.M.G., Hon. Sir D. H., 337, 447, 477, 527.
McMillan, M.L.A., James, 336.
McMillan, Senator, 524.
McMurrich, K.C., W. B., 288, 550, 600.
McMullen, Hon. James, 36, 288.
McMullen, T. G., 234.
McNaught, W. K., 40, 262, 509.
McNee, Arch., 549.
McNeil, Alex., 501, 544.
McNeill, Dr., 336.
McNeill, K.C.M.G., Major-General Sir J. C., 441.
McNichol, D., 490.
McNutt, M.L.A., Hon. Peter, 335, 336,
McPherson, K.C., Geo., 356.
McPherson, T. J., 234.
McQueen, Lieut.-Col. F. W., 479.
McShane, James, 159.
McTavish, Judge, 55.
McWilliams, M.L.A., A., 336.
McWilliams, R. F., 37.
Meath, Earl of, 441.
Medhurst, F. Hastings, 41.
Meighen, Robert, 185, 186, 394, 509, 519.
Meigs, M.P., D. B., 34, 240.
Mercier, Hon. Honoré, 325.
Mercier, K.C., Wilfrid, 162.
Meredith, Sir W. R., 445.
Merritt, Lieut.-Col. W. Hamilton, 479.
Metcalfe, J. H., 296.
Moberly, Frank, 69.
Moffatt, Capt. N. R., 481.
Monet, M.L.A., D., 166, 323-325.
Monk-Bretton, Lord, 434, 446.
Monk, K.C., M.P., F. D., 28-31, 33, 41, 55, 57, 87, 91, 122, 131, 132, 140, 150, 159, 169, 186, 188, 209, 211, 240, 250, 319, 564.
Mousseau, M.L.A., C., 324.
Montague, Hon. Dr., 169, 236, 444, 454, 455, 463, 517.
Moodie, Major, 156, 157.
Moody, W. H., 453, 463.
Moore, Lieut.-Col. F. S., 483.
Moore, Pte. W. F., 483.
Moore, Rev. Dr. William, 553.
Moore, Rev. T. Albert, 564.
Morgan, J. P., 429, 496.
Morin, J. B., 94.
Morin, M.L.A., J., 324.
Morin, M.P., J. B., 240.
Morine, K.C., Hon. A. B., 419-424, 426.
Morison, Rev. Dr. J. A., 558.
Morley, M.P., Rt. Hon. John, 387, 389, 433, 434.
Morris, Hon. E. P., 370, 419, 422-424, 426.
Morris, J. H., 520.
Morris, J. W., 58.
Morris, Major Edmund M., 446.
Morrisette, M.L.A., A., 323.
Morison, K.C., D., 419-423.
Morrison, K. J., 524.
Morrison, M. J., 185.
Morrison, M.L.A., Alexander, 356.
Morrison, M.L.A., D., 331, 392.
Morrissy, M.L.A., John, 331.

Morrow, Rev. G. R., 302.
Morse, Frank W., 102, 494, 497, 498.
Morson, K.C., M.L.A., W. A. O., 336.
Morton, Rev. Dr. A. D., 553.
Moss, Chief Justice, 262, 280, 357.
Mowat, K.C., H. M., 95, 288, 291, 309.
Mowat, Sir Oliver, 168, 297, 304.
Moyse, LL.D., Prof. C. E., 579.
Michael, W. J., 295.
Michaud, M.L.A., J., 278.
Mickle, Hon. C. J., 337, 339, 340, 391.
Milligan, C. J., 18, 221.
Milligan, Pte. George, 483.
Milligan, Rev. Dr. G. M., 308, 553, 558, 595.
Miller, M.P., H. H., 239.
Millar, B.A., John, 378.
Miller, Willet G., 546.
Mills, Dr. James, 498, 499, 596.
Milner, Lord, 442.
Mills, Bishop, 567.
Mills, Hon. David, 168.
Mills, Walter, 304.
Milne, G. L., 161.
Miner, S. H. C., 508.
Minhinnick, J. R., 520.
Minto, H. E., Countess of, 23, 340, 370-372, 447.
Miscampbell, A., 282, 283, 293, 309,
Minto, H. E., Earl of, 23, 24, 122, 124, 130, 134, 162, 163, 340, 341, 370-374, 396, 409, 439, 593.
Mitchell, Hon. Wm., 164.
Mitchell, Archibald S., 162.
Mitchell, Rev. E. A., 298.
Mullins, EX-M.L.A., H. A., 161, 198, 234.
Mundell, J. C., 234.
Mulock, Hon. Sir William, 17, 23, 26, 92-95, 104, 151, 152, 159, 168, 169, 183, 191, 231, 240, 409, 459, 461, 462, 486, 487.
Munro, M.L.A., C. W., 349.
Munro, Lieut.-Col. James, 258.
Munro, Major William, 234.
Muntz, L., 462.
Murray, Hon. G. H., 327-329, 362, 375, 428.
Murray, Rev. Robert, 551.
Murray, C.B., Sir J. Wolfe, 404, 434.
Murray, Prof. Walter, 555.
Murray, M.P., Thomas, 486.
Murray, W. H., 519.
Murphy, M.P.P., Dennis, 275.
Murphy, Martin, 356.
Myers, Judge, 357.
Myles, Major Robert, 479.
Mytton, W. F., 58.

Naish, R.N., Capt., 466, 483.
Nanton, A. M., 22.
Nattress, Lieut.-Col. W., 477.
Naud, M.P., Damase E., 310.
Neault, M.L.A., P. C., 323.
Neil, Rev. Dr., 551.
Nelson, J. I., 284.
Nelson, W. H., 520.
Nesbitt, Dr. Beattie, 65, 179, 265.
Newcombe, K.C., E. L., 354.
Neville, R. S., 357, 428.
Newlands, W. H., 159.
Newnes, Bart., M.P., Sir George, 434.
Newton, A.D.C., Capt. D. O. C., 124, 376.
Nickerson, M.L.A., M. H., 329.
Nicholson, K.C.B., Sir W. G., 434.
Nickson, J. J., 535.
Noble, John, 549.
Nordheimer, S., 460, 567.
Norfolk, Duke of, 369, 405, 415.
Norman, M.P., Henry, 434.
Northcote, Lord, 366, 367.
Northumberland, Duke of, 375.
Northup, Lieut.-Col. J. A., 477.
Northrup, M.P., W. B., 89-91, 122, 239.
Nosse, Tatz Gon, 458.
Notman, A. H., 490.

Obalski, J., 546.
O'Brien, Archbishop, 60, 559.
O'Brien, J., 501.
O'Brien, M.P., Patrick, 432.
O'Brien, T. W., 219.
O'Connor, Archbishop, 560.
O'Connell, Bernard, 561.
O'Connor, Judge Edward, 161, 255.
O'Donogue, D. J., 25.
Ogilvie, Mr., 219.
O'Grady, G. de Courcy, 508.
O'Hara, Henry, 550, 553.
O'Keefe, Eugene, 508.
Oliver, K.C., Theophilus H., 162.
Oliver, Mayor, 36.
Oliver, M.L.A., John, 356.
Oliver, M.P., F., 94, 100, 237, 242, 343.
O'Mara, J. J., 160.
Onslow, Earl of, 373.
Oris, Charles E., 507.
Orange, William of, 133.
Oronhyatekha, Dr., 513, 515, 518
Orr, Lieut.-Col. J. R., 478.
Orth, Archbishop, 212.
Orvis, Charles E., 271.
Osborne, H. C., 444.
Osborne, J. Kerr, 512.
Osler, F.R.S., Dr. Wm., 164, 442, 447, 454, 567.
Osler, M.P., E. B., 21, 22, 25, 138, 201, 237, 240, 280.
Otter, D.O.C., Col. W. D., 114, 129, 162, 481, 483.

Palmer, K.C., H. J., 333, 334.
Palmer, Mayor, 234.
Palmer, R. H., 535.
Page, Thos. Nelson, 458.
Panet, M.L.A., E. A., 324.
Paquet, M.P., Eugene, 240.
Pardo, T. L., 285.
Parent, Hon. S. N., 38, 101, 102, 310, 312, 314-319, 321-327, 338, 497.
Parent, M.P., G. W., 214, 238, 240, 327.
Parke, Major G. F., 376.
Parker, Alton B., 451.
Parker, Sir Gilbert, 377, 388, 441.
Parkin, Dr. G. R., 374, 429, 445, 577.
Parmelee, M.P., C. H., 241, 535.
Parsons, General Sir Charles, 375, 475.
Parsons, Rev. Dr. Henry Martyn, 559.
Paterson, A. T., 518.
Paterson, B.A., Ernest R., 577.
Paterson, Hon. W., 31, 151, 168, 182, 183, 192, 231, 238, 449, 600.
Paterson, K.C., Lieut.-Col. N. F., 285.
Patrick, Dr. T. A., 243.
Patrick, Principal, 536, 553, 555.
Pattullo, M.P., Andrew, 258.
Pattullo, T. Dufferin, 219.
Paul, M.L.A., E. B., 327.
Payne, A. M., 503.
Peace, Sir Walter, 443.
Peacock, Sir Alex. J., 368.
Pearse, Rev. Mark Guy, 140, 434.
Pearson, C. Arthur, 380, 443.
Pease, E. L., 329, 519.
Pedley, Hon. Hugh, 158, 555.
Pedley, Rev. J. W., 303, 550, 555.
Perley, G. H., 209.
Perrault, Maurice, 314, 323.
Perry, A. Bowen, 576.
Peters, C. F., 518.
Peters, F. W., 45.
Peters, Hon. A., 235, 335, 336, 354, 363, 392.
Peters, Lieut.-Col. James, 483.
Peterson, C. W., 58, 63.
Peterson, Principal, 428, 591.
Petit, M.L.A., H., 323.
Pellatt, Lieut.-Col. H. M., 409, 462.
Pelletier, Hon. L. P., 30, 166, 140, 150, 185, 187, 211, 213, 245, 314, 316, 317, 320, 323.
Pelletier, Lieut.-Col. O. C. C., 483.
Pelletier, Hon. Sir C. A., 163, 167, 327.
Pender, James, 234.
Pense, M.L.A., E. J. B., 265, 449.
Pentland, K.C., C. A., 140.
Percival, Sir Westby, 380.
Percy, Earl, 442.
Perks, M.P., R. W., 389.
Perley, M.P., G. H., 240.
Perrin, Bishop, 554.
Perry, Private J. S., 446.
Peters, Lieut.-Col. G. A., 477.
Pettypiece, M.L.A., H. J., 277, 291, 356, 501, 502 ,599.
Phillips-Wolley, Capt., 220, 351, 600.
Piché, K.C., Camille, 166, 237, 238, 240, 327.
Pickel, Dr., 115, 116, 118, 120, 121, 131.
Pickering, Rev. John, 563.
Pickup, M.P., S. W. W., 241.
Pilon, M.L.A., H., 324.
Pilot, D.D., D.C.L., Rev. Wm., 370.
Pinault, C.M.G., Col. L. F., 114, 118, 124, 464, 475, 482.
Pinkham, Bishop, 428, 553.
Pitts, S. J., 520.
Pius X., Pope, 561.
Plumer, C.B., Major-Gen. H. C. O., 404.
Plummer, J. H., 507.
Plunket, Lord, 367.
Pollock, Sir Frederick, 443.
Pollok, Rev. Dr., 551.
Ponton, Colonel, 25, 114, 423.
Pope, R. H., 29, 80, 90, 91, 236, 281.
Poirier, Senator, 37, 561.
Porte, J. L., 526.
Porter, M.P., E. Guss, 91, 239, 255, 256, 486.
Porter, W. E., 520.
Pottinger, I.S.O., David, 370.
Portland, Duke of, 382.
Potts, Rev. Dr. John, 135, 286, 554.
Powell, M.P.P., Berkeley, 272, 277.
Powell-Williams, M.P., 380.
Power, Hon. L. G., 165, 241, 316.
Prefontaine, Hon. Raymond, 27, 38, 153, 154, 159, 160, 168, 174, 225, 237, 240, 252, 321, 346, 461, 503, 543, 549.
Prendergast, M. J. A., 520.
Preston, M.P.P., T. H., 266, 590.
Preston, W. T. R., 25, 143, 144.
Prévost, J. B. B., 314.
Prevost, Lieut.-Col. H. R., 475.
Prevost, M.L.A., F. J. B., 324.
Price, A., 490.
Price, Henry, 213.
Price, Joseph, 494.
Price, William, 140, 311, 316, 520.
Prince, E. E., 549.
Pringle, Rev. John, 545, 546.

Pringle, M.P., R. A., 41, 56, 89, 91, 150, 239.
Prior, Hon. E. G., 236.
Proulx, M.P., Edmund, 239.
Prowse, M.L.A., A. P., 336.
Pryce-Jones, M.P., Col. E., 461.
Ptolemy, Lieut.-Col. W. H., 480.
Pugsley, Hon. Dr., 32, 162, 221, 222, 225, 251, 331-333, 354, 362, 392.
Putnam, B.S.A., Geo. A., 355.
Puttee, M.P., A. W., 36, 63.
Pyke, J. W., 524.
Pyne, M.L.A., Dr. R. A., 275, 279.

Racicot, Mgr., 561.
Rae, Samuel, 271.
Rainville, Hon. H. B., 321, 323.
Ramsey, Mayor, 58.
Raney, W. E., 299.
Ranfurly, H. E. Earl of, 417.
Rankin, Hugh, 483.
Rankin, Rev. J. A., 298, 301, 550.
Ratz, M.P., Valentine, 239.
Read, Capt. Joseph, 392.
Reade, Colonel, 482.
Reaume, Dr., 295.
Redmond, M.P., John E., 432.
Reeves, F. B., 507.
Reford, Robert, 501, 519.
Reid, G. A., 462.
Reid, G. P., 519.
Reid, Rt. Hon. G. H., 368, 401-403, 418, 443.
Reid, Sir Hugh Gilzean, 163.
Reid, Hon. James, 161, 241.
Reid, M.P., J. D., 239.
Reid, John H., 520.
Reid, R. J., 419, 420.
Reid, Robert, 101, 497.
Reid, M.L.A., Hon. S. E., 336.
Reichel, Prof. H. R., 593.
Reilly, T. J., 255, 256.
Renaud, Rev. Father, 561.
Reventlow, Count, 376.
Rhodes, Cecil, 374, 577.
Richard, Hon. A. D., 561.
Richard, Cardinal, 561.
Richards, M.L.A., Hon. J. W., 333, 336.
Richardson, John, 357.
Richardson, M.A., Ven. J. B., 556.
Richardson, R. L., 199, 201.
Richardson, M.P., W. K., 79, 91.
Richmond and Gordon, Duke of, 405, 427.
Rickard, W., 265.
Riel, Louis, 165, 214.
Riley, M.P., George, 36, 229, 237, 242.
Rivers-Wilson, Sir Charles, 67, 69-71, 492, 497.
Rivers, Lieut.-Col. V. P., 478.
Rivers, M.P., A. L., 19, 31, 32.
Rivet, M.P., L. A. A., 240.
Robb, A. W., 31.
Robb, D. W., 40.
Roberts, F.-M. Earl, 404, 496.
Robertson, Alexander, 577.
Robertson, Dr., 193.
Robertson, C. R., 440.
Robertson, M.L.A., George, 330.
Robertson, H. E. A., 218.
Robertson, James F., 234.
Robertson, J. S., 300.
Robertson, Mr. Justice Thos., 160.
Robertson, Lord, 354.
Roblin, Hon. R. P., 101, 171, 232, 243, 337, 446, 536.
Robinette, K.C., T. C., 183, 308.
Robinson, Alex., 589.
Robinson, Hiram, 538.
Robinson, M.P., Jabel, 78.
Robinson, T. D., 201.
Robitaille, M.L.A., Hon. A., 323, 324, 327.
Roche, M.P., W. J., 89, 91, 96, 242.
Roche, M.P., William, 86, 241. 345.
Rodger, David, 596.
Roddick, Dr., 185, 594.
Rogers, Hon. Benjamin, 333, 335.
Rogers, Mayor, 486.
Rogers, Lieut.-Col. S. H., 479.
Rogers, K.C., Dr. R. V., 595.
Rogers, Hon. Robert, 232, 235, 243, 338, 364, 428.
Rolland, M.L.C., Hon. J. D., 83.
Root, Hon. Elihu, 463.
Roper, Lieut.-Col. S. C. D., 479.
Rose, B.A., Herbert J., 577.
Rose, Rev. Dr. S. P., 550.
Rosebery, Lord, 381, 383-386, 389.
Ross, Lady, 431.
Ross, Sir Charles, 431, 432.
Ross, M.P., Duncan, 242, 247, 248.
Ross, D. H., 521.
Ross, Hon. George, 243.
Ross, Hon. G. W., 41, 151, 178, 216, 217, 230, 257, 258, 261-265, 269, 271, 272, 274, 275, 276, 277, 279, 281, 286, 287, 288, 289, 291, 292, 295, 297, 298, 299, 300, 301, 302, 304, 307, 308, 355, 357, 359, 361, 393, 459, 494, 600.
Ross, James, 486, 507.
Ross, Rev. Dr. James, 553.
Ross, M.P., J. A., 241.
Ross, Hon. James Hamilton, 164. 167, 204, 217, 219.
Ross, Rev. J. S., 302.
Ross, P. D., 63.
Ross, R. H., 524.
Ross, Hon. W., 503.
Ross, W. B., 234.
Ross, Hon. W. G., 565, 571, 590, 592.
Ross, W. L., 295.
Ross, M.L.A., W. R., 349.
Rothschild, Lord, 427.
Rosseau, Major, 31.
Roosevelt, President, 448, 450, 457, 459.
Rosseau, M.P., J. A., 240.
Routhier, LL.D., Hon. A. B., 162.
Routledge, Dr., 265.
Rowe, Rev. Dr., 247.
Rowell, K.C., N. W., 185, 231, 286, 507, 550, 555.
Roy, M.L.A., E., 324.
Roy, M.L.A., L. R., 324.
Roy, M.L.A., P. J., 324.
Roy, D.O.C., Lieut.-Col. Alexandre 132, 135, 140, 147, 483.
Russell, M.P., Benjamin, 78, 133, 163, 393.
Russell, David, 221-225, 244, 250-253, 519.
Russell, Samuel, 357.
Rutherford, Prof., 546.
Rutherford, Lieut.-Col., R. W., 478.
Rutledge, E. S., 520.
Ruttan, E. G., 256.
Ryan, Peter, 286, 600.
Ryckman, Rev. Dr., 555.
Ryerson, Dr. G. Stirling, 445.

Salisbury, Marquess of, 390.
Salmon, Capt. R., 163.
Salter, Fred. C., 494.
Sanderson, M.A., Frank, 518.
Sanderson, M.L.A., G. G., 327.
Sanford, Mrs. W. E., 568.
Saunders, Dr. William, 193, 527.
Sawyer, Prof. E. W., 565.
Sawyer, W. M., 507.
Savon, M.P., F. T., 240.
Sbarretti, Mgr., 212, 459, 559-561, 593.
Schaffner, Lieut.-Col. C. W., 479.
Schaffner, M.P., F. L., 242.
Schell, M.P., J. T., 239.
Schell, M.P., M. S., 239.
Schoff, Elgin, 219.
Scholefield, H. B., 37, 518, 520.
Scholes, Lou, 439, 440.
Schurman, President, 454.
Scott, J. G., 48, 49, 68, 248, 434, 501.
Scott, Hon. R. W., 109, 117, 124, 161, 168, 181, 182, 353, 375, 409, 448, 459.
Scott, M.P., Walter, 21, 22, 33, 203, 242.
Scrimger, Rev. Principal, 552, 555.
Seagram, M.P., J. E., 240.
Sealey, W. O., 246.
Search, T. S., 271.
Secord, Richard, 237, 343.
Seddon, Rt. Hon. R. J., 417.
Sedgwick, Mr. Justice, 162, 375.
Sedgwick, Rev. Dr. T., 553.
See Sir John, 369.
Selborne, Lord, 379, 381, 387, 405, 406, 415.
Selous, F. C., 434.
Semon, M.D., Sir Felix, 434.
Seward, F. W., 458.
Sewell, Surgeon-Major C. C., 477.
Sewell, Mrs. May Wright, 567.
Sexton, Prof., 544.
Sharpe, W. H., 243.
Shatford, L. W., 347.
Shaughnessy, Sir Thomas, 54, 139, 140.
Shaw, Campbell, 454, 457.
Shaw, Rev. Principal, 550, 552.
Shaw, John, 135.
Shepley, K.C., G. F., 255.
Sheppard, O. B., 163.
Shepperson, Rev. A. W., 304.
Sheraton, Rev. Dr., 300.
Sherwood, C.M.G., Lieut.-Col. A. P., 163, 255, 479, 483.
Shibley, W. J., 254-256.
Shields, Cornelius, 268, 507.
Shortt, Prof. A., 356, 396, 436, 456, 502.
Short, Mayor William, 58.
Sifton, Hon. Clifford, 27, 33, 53, 85, 152, 168, 199, 201, 203, 225, 232, 233, 237, 242, 246, 252, 403, 456, 539.
Simpson, George F., 596.
Simpson, M.L.A., Hon. G. W., 336.
Sinclair, J. H., 33, 87, 241.
Sinclair, M.P., Capt., 442.
Sipprell, M.A., Rev. W. J., 562, 563.
Skakel, Alexander, 596.
Skinner, A. O., 330.
Skinner, C. N., 221.
Sloan, William, 36, 242, 247, 248.
Sladen, Arthur F., 376.
Smart, Lieut.-Col. C. A., 118-122, 129, 130, 135.
Smart, Jas. A., 164.
Smith, Adam, 400.
Smith, Alex., 166, 235.
Smith, K.C., M.P., Bruce, 441.
Smith, M.L.A., B. F., 392.
Smith, C. J., 501.
Smith, M.L.A., C. W., 263 ,272, 273, 280, 283, 531.
Smith, M.P., E. D., 51, 63, 240, 246, 409.
Smith, Dr. Goldwin, 29, 37, 136, 137, 162, 165, 259, 304, 395, 396, 437, 449, 459, 565, 567, 600.
Smith, M.L.A., G. R., 324.
Smith, Col. Henry, 481.

Smith, John W., 234.
Smith, M.L.A., Matthew, 334, 336.
Smith, Norman, 423.
Smith, Rev. Nathaniel, 304.
Smith, Peleg, 536.
Smith, M.P., Ralph, 36, 79, 87, 167, 242, 247, 248, 502.
Smith, Hon. Sydney, 368.
Smith, W. Richmond, 458.
Smithers, A. W., 73, 494, 497.
Smyth, W. R., 296.
Smyth, S. M., 520.
Snowball, Hon. J. B., 162, 330.
Snyder, L. P., 509.
Somerville, Rev. W., 555, 563.
Somerville, Judge, 458.
Southworth, Thomas, 530, 538.
Spark, W. Staley, 537.
Sparkham, Lieut.-Col. T. W., 479.
Sparling, Rev. Principal, 550, 554.
Spence, F. S., 286, 290, 297, 298, 571, 573.
Spence, Dr. J., 291, 303.
Spencer, Earl, 427.
Speyer & Company, 270, 272, 273.
Sponagle, Lieut.-Col., J. A., 477.
Sprigg, Sir J. Gordon, 367.
Sprague, Rev. Dr., 553, 554.
Sprague, D. E., 46.
Sproule, M.P., Dr. T. S., 57, 91, 150, 169, 198, 239, 296, 472.
Stairs, John F., 18, 28, 166, 508.
Stairs, B.A., Gilbert S., 577.
Stamford, Earl of, 434.
Stanhope, M.P., Hon. P. J., 461.
Stanley, M.P., Sir Henry M., 369.
Staples, M.P., W. D., 242.
Stauffner, Dr. J. E., 58.
Stavert, W. E., 519.
Stead, W. T., 440.
Steele, Col. S. B., 442.
Stephen, Alex., 503.
Stephen, Sir Matthew Henry, 370.
Stephens, J. R., 95, 102.
Stephens, Hon. G. W., 36, 314, 322.
Stewart, Rev. Prof., 553, 562.
Stewart, Bruce, 40.
Stewart, Douglas, 575.
Stewart, D. M., 37, 481, 509, 519.
Stewart, E., 530, 538.
Stewart, J. F. M., 523.
Stewart, J. W., 520.
Stewart, M.P., Robert, 239.
Stikeman, H., 519.
Stirton, David, 162.
Stock, M.P.P., Valentine, 266.
Stockton, K.C., A. A., 238, 241.
Strathcona, Lady, 502.
Strathcona, Lord, 165, 166, 369, 373, 374, 426, 427, 440, 445, 501, 524, 591.
Strathy, H. S., 519.
Stratton, Hon. J. R., 151, 160, 216, 217, 243, 256, 261, 273, 280, 281, 284, 286, 287, 289, 290, 291, 292, 295, 304, 355.
Street, Mr. Justice, 105, 280.
Strickland, Sir Gerald, 368.
Stokes, Prof. Sir G. G., 443.
Stothers, Lieut.-Col. J. B., 478.
Stuart-Wade, C., 526.
Stuart, K.C., G. G., 140.
Studdart, William, 234.
Stupart, F.R.S.C., R. F., 156.
Sturdee, Lieut.-Col. E. T., 479.
Suckling, J. S., 327.
Suffolk and Berkshire, A.D.C., Earl of, 434.
Sullivan, Chief Justice, 577.
Sullivan, Capt., 281, 284, 287.
Sullivan, J. A., 453.
Sutherland, Duke of, 373, 382, 431.
Sutherland, M.L.A., Donald, 104-106, 301.
Sutherland, Hon. James, 27, 168, 239.
Sutherland, George, 283-285.
Sutherland, M.P., R. F., 239.
Sutherland, Rev. Dr. A., 550, 555.
Sutton, K.C.M.G., Sir. G. Morris, 370.
Sutton, Lieut.-Col. D., 478.
Sweatman, Bishop, 430, 557.
Sweeney, Hon. F. J., 330.
Symon, K.C., Hon. Sir Josiah, 368.
Symonds, Rev. Dr., 552.
St. John, M.P.P., J. W., 265, 273, 293.
St. Pierre, M.L.A., G. H., 29, 318, 321.

Taché, J. de B., 31.
Taillon, Hon. L. O., 150, 186, 236, 319.
Tait, Thomas, 78.
Talbot, M.P., O. E., 240.
Talbot, M.P., Peter, 242.
Tanguay, M.L.A., G., 37, 324.
Tanguay, M.L.A., P., 324.
Tanner, M.L.A., C. E., 166, 328, 329.
Tapscott, Rev. F. G., 291.
Tarte, Hon. J. Israel, 25, 28-32, 34, 37, 38, 82, 89, 90, 146, 147, 167-169, 186, 211, 214, 225, 235, 245, 319, 321, 372, 435, 439, 518.
Taschereau, Lieut.-Col. G. A., 478.
Taschereau, Rt. Hon. Sir H. E., 19, 144, 164, 375, 428, 478.
Taschereau, L. A., 317, 323.
Tassé, Joseph, 233.
Tatlow, Hon. R. G., 347, 348, 356, 365.
Taverner, Hon. J. W., 201, 368.
Taylor, M.P., George, 22, 89, 91, 97, 239.
Teefy, Rev. Dr. J. R., 560.
Teetzel, Mr. Justice, 164, 281, 284, 285.
Telford, M.P., W. P., 239.
Tellier, M.L.A., J. M., 314, 321, 323.
Terry, jr., J. T., 507.
Templeman, Hon. William, 87, 168, 173, 233, 247, 248, 346, 351, 357.
Tennyson, Lord, 19, 367, 373.
Tessier, M.L.A., J. A., 324.
Tessier, Senator, 327.
Thairs, Lieut.-Col. Geo., 480.
Thivierge, Canon P. N., 311.
Thomas, M.P., W. R., 461.
Thomas, Rev. H. F., 550.
Thompson, Dr. Alfred, 150, 220, 246, 352, 353.
Thompson, ex-M.P., Lieut.-Col. A. T., 86, 236, 288, 291, 309.
Thompson, E. W., 42, 489.
Thompson, F. W., 218, 219, 220, 428.
Thompson, J. Enoch, 459.
Thompson, Sir John, 151.
Thompson, Levi, 36.
Thompson, U. E., 519.
Thompson, Lieut.-Col. W., 480.
Thompson, W. F., 353.
Thomson, Robert, 517.
Thomson, Hon. Dugald, 368.
Thomson, E. W., 456.
Thomson, Mrs. Robert, 568.
Thorn, J. O., 40
Thorne, W. H., 185.
Thwaites, Dr. Reuben Gold, 460.
Tindall, W. B., 39.
Tittman, O. E., 448.
Tisdale, Colonel, Hon. David, 169, 239, 470, 473.
Tobin, M.P., E. W., 237.
Todd, T. G., 538.
Torrance, Rev. Dr., 558.
Tourigny, M.L.A., P., 323.
Tozer, Sir Horace, 402.
Trenholme, K.C., Hon. N. W., 161.
Tressider, J. B., 572.
Troop, Howard D., 234.
Trotter, D.S.O., Capt. G. F., 376.
Trowbridge, E. O., 271, 507.
Tucker, Rev. Dr. L. N., 556, 558.
Tuckett, George E., 233.
Tuckett, Messrs., 55.
Tudhope, J. B., 184.
Tully, S. S., 462.
Tupper, Sir Charles, 18, 82, 161, 166, 185, 204, 289. 350, 428, 435.
Turgeon, M.L.A., Hon. Adelard, 310, 312, 314, 315, 323, 326, 327, 460.
Turgeon, Hon. A., 323.
Turgeon, M.P., O., 241.
Turner, V.C., Lieut.-Col. R. E.W., 140.
Turner, Hon. R., 518.
Turner, P.C., Rt. Hon. Sir Geo., 368.
Turriff, J. G., 160, 242.
Tweed, Thomas, 58, 343.
Tweedie, Hon. L. J., 32, 330, 331, 445.
Twining, Lieut.-Col. J. N., 479.
Tye, Wm. Francis, 490.
Tyndall, John, 443.
Tyrrell, G. B., 507.
Tyrrell, C.E., J. W., 154, 155, 547, 549.

Unwin, A. Harold, 538.
Unsworth, Rev. J. K., 555, 565.
Urquhart, Mayor, 62, 157, 183, 193-5, 228, 229, 236, 288, 600.

Valliéres, Ald. S. S., 314.
Vance, James, 166, 281, 287, 291, 309.
Van Horne, Sir W. C., 449.
Van Wagner, Lieut.-Col., H. P., 126.
Vaughan, H. H., 490.
Vernon, G. H., 234.
Victor, B. J., 310.
Victoria, Queen, 447, 469.
Vidal, Col. B. H., 475, 478.
Virge, W. A., 230.
Vince, Lieut.-Col. D. McL., 475.
Vincent, ex-Ald., 214.
Vincent, Col., Sir Howard, 41, 393, 431, 432.

Waddell, Thomas, 369.
Wade, M.P., F. W., 86, 497.
Wade, K.C., F. C., 448.
Wade, K.C., M.P., F. B., 101, 102, 197.
Walsh, M.L.A., M. J., 322-325.
Walsh, M.P., R. N., 240.
Ward, Rev. W. Carey, 157.
Ward, K.C.B., Sir Edward W. D., 404, 473, 477.
Ward, Lieut.-Col. H. A., 82, 190, 229, 238, 486.
Warden, Rev. Dr. R. H., 550, 555, 559.
Warburton, Judge, 163.
Warburton, M.L.A., Dr. James, 333, 336.
Warren, C. D., 270, 271, 507.
Wark, Hon. David, 159, 161, 447.
Warriner, Prof., 552, 555.
Washington, K.C., S. F., 356.

Watson, Hon. J. C., 368, 401-404, 416-418.
Watson, M.P., R. J., 239, 285, 522.
Watson, H., 462.
Wainwright, W., 81, 88, 92, 102, 494, 497, 498, 503.
Wales, H. R. H. Prince of, 446.
Wallace, Chancellor O. C. S., 444, 550, 553.
Wallace, I.S.O., John R., 370.
Wallace, Rev. Dr. W. G., 550.
Wallace, Lieut.-Col. W., 479.
Walker, Lieut.-Col. T., 477.
Walker, M.L.A., W. H., 524.
Walker, Judge, 357.
Walker, Mayor, 36.
Walker, M.L.A., Sampson, 391.
Walker, B. E., 315, 395, 428, 429, 444, 505, 506, 512, 520, 538, 600.
Walkem, Mr. Justice., 159.
Weatherbe, Lieut.-Col. Paul, 478.
Webb, Dr., 252.
Webb, E. E., 508.
Weddell, Rev. R. W., 568.
Wedderburn, Lieut.-Col. F. V., 479.
Welby, Lord, 71, 497.
Weir, M.L.A., Hon. W. A., 37, 209, 323.
Weir, Andrew, 487.
Weldon, K.C., Hon. J. W., 399.
Welby-Solomon, A. F., 351.
Welford, Dr. A. B., 302.
Wells, W. C., 49.
Welsh, Lieut.-Col. T. B., 479.
Weston, Lieut.-Col. B. A., 475.
Whalen, T. E., 255.
Whear, Hon. J. F., 333.
White, Mayor W. W., 37, 162, 399.
White' John, 508.
White, W. J., 319.
White, W. H., 357.
White, James, 161.
White, M.P., Hon. P., 236, 238, 239, 250.
White, K.C.B., Sir W. H., 434.
White, Lieut.-Col. G. Rolt, 483.
White, Judge, W., 163.
White, Aubrey, 538.
Whiteway, Sir W. V., 419, 420, 421.
Whitla, H. W., 160.
Whitley, Lieut.-Col. F., 119, 120, 122, 130, 135, 478.
Whitley, Lieut.-Col. F., 475.
Whitney, H. M., 452, 539.
Whitney, J. P., 179, 230, 257-259, 261, 263, 264, 266-268, 270, 272-277, 279, 290, 293-296, 298, 300, 308, 309, 357, 409, 590, 592.
Whyte, William, 45, 47, 48, 58, 499.
Wickham, Capt. H. J., 411.
Wickett, Dr. Morley, 436.
Welford, Dr., 295.
Weese, George, 256.
Wigle, B.A., Rev. Hamilton, 563.
Wilmot, M.P., 82, 241.
Wilkie, Rev. Dr., 37, 445, 519, 558.
Wilkie, D. R., 519, 520.
Wilkinson, Spenser, 405.
Wilson, Rev. J. P., 553, 563.
Wilson, Rev. Dr. G. B., 553.
Wilson, Hon. John H , 164.
Wilson, Alex., 234.
Wilson, James, 231.
Wilson, G. I., 355.
Wilson, Hon. Charles, 18, 346.
Wilson, Sir Arthur, 354.
Wilson, Lockie, 231, 295.
Williams, Col. J. Hanbury, 376.
Williams, Parker, 348.
Williams, A. C., 462.
Williams, M.A., Ven. D., 556.
Williams, Lieut.-Col. H. H., 480.
Williams, Lieut.-Col. V. A. S., 477.
Wilson, Woodrow, 458.
Wilson, M.P., N. F., 239.
Wilson, George, 153.
Wilson, Hon. Dr. J. H., 160.
Wilson, Sir Daniel, 592.
Wilson, A.M.S., Lieut.-Col. C. W., 477.
Wilson-Smith, R., 516.
Wilson, M.P., Uriah, 239.
Wilson, Rev. Dr. W. F., 550.
Willson, Beckles, 165, 166.
Willison, J. S., 152, 158, 159, 600.
Willison, Mrs. J. S., 567.
Winter, Sir James, 419-421.
Winter, Rev. David, 563.
Winchester, Judge, 91, 94-96.
Wise, Sir W. Lloyd, 41, 400, 434.
Wood, Hon. Josiah, 185, 393.
Wood, E. R. 102, 497, 505, 508, 526.
Wood, Major Z. T., 353
Wood, M.L.A., Leonard, 336.
Wood, ex-M.P., E. B., 190.
Woodside, Major H. J., 219.
Wood, A. F., 255, 309.
Woodworth, C. M., 219, 220.
Woolf, M.L.A., John W., 565.
Worrell, Ven. Dr. Clare L., 376. 558.
Worthington, M.P., Dr. A. N., 238, 241.
Wright, M.P., A. A., 239.
Wright, A. W., 166.
Wright, M.P., William, 239.
Wyatt, H. F., 417.
Wynn, 268.
Wyndham, M.P., Rt. Hon. George, 390.
Würtele, Mr. Justice, 161.

Yeats, William Butler, 434.
Yeo, Hon. John, 335.
Young, C. A., 101, 357, 497.
Young, David, 591.
Young, D. R., 536.
Young, Hon. James, 36, 396.
Young, M.L.A., H. S., 349.
Young, M.L.A., J. J., 58, 345, 526.
Young, P. J., 39.
Young, Ven. Dr. W. A., 556.

Zimmerman, M.P., A. 239.

ADDENDA

Bain, Dr. James, 600.
Barr, Jean, 600.
Benbow, T. F., 601.
Brymner, Douglas, 599.
Burgess, J. M., 601.
Cameron, John, 600.
Cleary, Francis, 600.
Dalby, Henry, 601.
Dewar, A. M., 601.
Doughty, Dr. A. G., 599, 600.
Douglas, Dr. James, 599.
Drummond, Dr. W. H., 600.
Edgar, Prof. Pelham, 600.
Fraser, Alex., 599.
Flett, John A., 600.
Frechette, C.M.G., L. H., 600.
Grant, B.A., W. L., 600.
Howland, C.M.G., O. A., 600.
Huckle, B., 599.
Kilroy, Margaret C., 600.
Law, E. E., 599.
Lefroy, M.A., A. H. F., 600.
LeMoine, Sir J. M., 600.
Mavor, Prof. James, 600.
McConnell, G. H. P., 601.
McCuish, George, 599.
McDonald. J. D., 600.
Nattress, Rev. Thomas, 600.
Osborne, J. A., 599.
Oxley, J. Macdonald, 600.
Richardson, W. A., 599.
Roberts, G. R., 600.
Saults, G. H., 599.
Slack, E. F., 601.
Stout, W. S., 599.
Tait, Joseph, 600.
Temple, Dr. J. Algernon, 601.
Verville, A., 601.
Würtele, F. C., 599.

INDEX OF AFFAIRS

Aberdeen University, 427.
Abolition of General Officer Commanding the Militia, 478, 481.
Acadia University, 597, 598.
Accident, etc., Insurance, 517.
"Adequate Protection," 28, 36.
Administrator of Canada, Sir H. E. Taschereau as, 375.
Agricultural College, B. C., Proposed, 535.
Agricultural College, Manitoba, 536.
Agricultural College, Ontario, 537.
Agricultural College, Nova Scotia, 585.
Agricultural Education, Sir W. C. Macdonald and, 537.
Archivist, Dominion Appointment as, 599.
Archivist, Ontario Appointment as, 599.
Alliance for the Suppression of the Liquor Traffic, 571.
Alliance of Reformed Churches, 558.
Anglicans and Church Union, 553, 554.
Anniversary (60th) of *Toronto Globe*, 600.
Agricultural Exports, 521.
Agricultural Prices in 1896-1904, 536.
Agricultural Production, 526, 527.
Agriculture, Development of, 526, 527.
Agriculture, Department of, 22, 23.
Agriculture, Statistics of, 527-530.
Alaskan Boundary Incident, 140, 141, 189, 190, 435.
Alaskan Boundary Question, The, 20, 27, 28, 180, 448.
Alberta, 528.
Algoma Central Ry., 268-274, 282, 283, 305, 507, 532.
Alien Labour and the Grand Trunk Pacific, 91-96.
Alien Labour Inquiry (Judge Winchester), 94-96.
Alien Labour Law, 331, 461.
Allan Line, 487, 503.
"American Ambassador," 450.
American Protective Tariff League, 453.
Ancient Order of Foresters, 512-514.
Ancient Order of United Workmen, 512-514.
Animals and their Product, Export of, 521.
Annapolis Royal, Celebration of Tercentenary, 460.
Annexation Discussed in United States, 449, 450, 462.
Appointments and Elections to Office, Church, 556-558, 559, 560, 561, 564.
Appointments, University, 598.
Appointments, Financial, 507-509.
Appointments to Office, Canadian, 159-164, 286, 287, 327, 330, 333, 335, 337, 340, 346, 355-357, 466, 475, 477-481.
Appointments to Office, Empire, 366-370, 373, 419, 443, 446.
Appointments, Railway, 490, 494, 497, 498, 501, 502.
Arbitration, 461.
Arbitration between U. S. and Great Britain, 457, 458.
Arbitration, Treaties of, 366.
Argentina, 410, 521.
Army Council, British, 404, 473.
Artists, Canadian, at St. Louis, 449.
Assessment Act, Ontario, 266, 267, 355.
Assiniboia, 528.
Associated Boards of Trade, B.C., 547.
Athletics, Degeneration of, 576.
Atlantic Line of Steamships, 40, 503.
Atlantic, Quebec & Western Ry., 317.
Auditor-General of Canada, 22, 179, 180, 215, 216.
Auditor-General and the General Election, 215, 216.
Auditor-General's Position and Resignation, 103, 106-110.
Australasian *Review of Reviews*, Editor of, 440.
Australia, Commonwealth of—
  Canadian Trade with, 521, 522.
  Chamberlain Policy discussed in, 399-404.
  Changes in Government of, 367-369.
  Cost of Railway Construction in, 502.
  Hutton, Sir E. T. H. in, 417.
  Labour Influence in, 368, 416, 417.
  Naval Defences of, 417, 443.
  New Governor-General of, 366, 367.
  Parliament Discusses Chamberlain Policy in, 400, 403.
  Position of the Militia in, 416-418, 443.
  Referred to, 52, 66, 405, 410, 431, 443, 445, 577.
  Government Ownership of Railways in, 77, 78, 80, 201.
  Royal Message to People of, 366.
  Royal Navy Medical Service and, 441.
Austria, 442, 459.
Authors, Canadian Society of, 600.
Autonomy, Territorial—
  Correspondence between Regina and Ottawa regarding, 203, 341, 342.
  Mr. Haultain Fights in General Election for, 202-204.
  Referred to, 20.
  School Question and, 203, 212, 344.

Ballot-Box Conspiracy in West Hastings, 204-206, 306, 307.
Baltic Fleet and British Fishermen, 192.
Bank Branches, New, 509, 511.
Bank of New Brunswick, 332.
Bankers' Institute, Proposed, 519.
Bankruptcy Law, 58.
Baptist Young People's Union of U. S., 460, 461.
Baptists and Church Union, 553.
Baptist Churches and Temperance, 572.
Baptist Churches' Union, 566.
Baptist Convention of Maritime Provinces, 565.
Baptist Convention of Ontario and Quebec, 566, 567.
Baptist Historical Association, 565.
Bishop's College, University of, 547, 548.
Bishops Installed, Roman Catholic, 559.
British and Foreign Bible Society, 564.
Belcourt Club, 159.
Belgium, 80, 521, 522.
Bell Telephone Company, 60-63, 355.
'Better Terms" for British Columbia, 18, 173, 346, 347, 351, 352, 354.
Black Watch Band in Canada, 446.
Blair-Russell Incident and the General Election, 221-227, 250-254.
Bisley, Private Perry wins King's Prize at, 446.
Boards of Trade, Officers of Canadian, 520.
Bond-Hay Treaty, 422.
Bonuses Paid on Steel Industry, 507.
Borden, Mr. R. L.—
  "Adequate Protection" urged by, 28, 177, 186.
  Announcement *re* Party Contributions, 226, 253.
  Appeals to French Canadians, 186, 187.
  Approves Chamberlain Policy, 28, 177-180, 245, 390, 391.
  Auditor-General's Position and, 109, 110.
  Blair Memorandum and, 84.
  B. C. Conservatives and, 18.
  Bye-elections and, 31, 32.
  Cigarette Smoking and, 574, 575.
  Defeat in Nova Scotia of, 236, 249, 250.
  Denounces Government, 19, 20, 176-182.
  Discusses the Militia Bill in Parliament, 471-473.
  Discussion as to Leadership of, 249, 250.
  Eastern Townships Tour of, 17, 28, 29.
  Government Operation Favoured by, 80-82.
  Government Ownership of Railways Favoured by, 80-82.
  Jackson Appointment Denounced by, 105, 106.
  Manifesto to the People by, 188, 189.
  Municipal Ownership Rights and, 66, 67.
  Parliamentary and Personal Tributes to, 149.

Borden, Mr. R. L.—*Continued.*
Parliamentary Tariff Resolutions of, 52-53.
Party Promises and, 230.
Personal Criticism of, 164.
Prophesies Victory in Elections, 235.
Relations with Mr. Blair of, 224, 226.
Relations with Mr. Monk of, 29, 30.
Relations with Mr. Tarte of, 28, 30.
Speaks upon the Dundonald Affair, 121, 130, 131, 135, 144, 150, 178, 209.
Speeches during Federal Elections of, 176-181, 185-187.
Temperance Views of, 178, 185.
Views and Resolutions Regarding G.T.P. Project, 74-77, 90, 96, 177, 179, 180, 196, 197, 232, 233.
Boundaries of Manitoba, 345, 346.
Bounties on Lead, 43, 44.
Bounties, Statistics of, 44.
Brandon Board of Trade, 520.
Brantford Board of Trade, 520.
British Africa, 521.
British America Insurance Co., 516.
British Empire League in Canada, 409, 423, 445.
British Empire League in Great Britain, 388, 414.
British Empire League in Australia, 418, 443.
British Guiana, 377, 521.
British Insurance and the Toronto Fire, 446.
British North America, Bank of, 510, 511.
British Protection for Canadian Missionaries in Corea, 408, 409, 413.
British South Africa Company, 374.
British Visitors to Canada, 429-34.
British West Indies, 50, 51.
Budget of British Columbia, 365.
Budget of Quebec, 361, 362.
Budget of Manitoba, 363, 364.
Budget, The Dominion, 49-55, 358, 359.
Budget of New Brunswick, 362, 363.
Budget of Newfoundland, 419.
Budget of Nova Scotia, 362.
Budget of Ontario, 359-361.
Business Failures, Canadian, 506.
Bye-Elections, Dominion, 19, 20, 30-33.
Bye-Elections in Great Britain, 367.
Bye-Elections, Provincial, 208, 260, 264, 265, 310, 326, 330, 333, 334.
British Columbia, Province of—
Agricultural Product of, 528, 530.
Business Failures in, 506.
Changes in Government of, 346.
Chinese Restriction Policy of, 348, 349, 351.
Crime and Criminals in, 474, 475.
Discussions in Legislature of, 347-349.
Education in, 588, 589.
Federal Election and, 18, 247.
Financial Condition of, 347, 364, 365.
Fisheries of, 153, 154, 351, 543, 544, 548, 549.
British Columbia, Province of—*Continued.*
Fruit Production in, 535, 536.
G. T. P. Construction from Coast and, 197.
G.T.P. Project and, 68, 69, 86, 87, 101, 233, 244.
Grievances against Dominion Government, 18, 173, 346, 347, 351, 352.
Imports of, 521, 522.
Land Grants in South-east Kootenay and, 349, 350.
Lead Bounties in, 43, 44.
Legislative Resolutions in, 45, 349.
Lumber Situation in, 18, 37, 44-49, 248, 349.
Mineral Resources and Production of, 539, 542, 546-548.
Railway Policy of, 347, 348.
Rhodes Scholar Selected in, 577.
Shipping of, 487.

Cairo, University of, 441.
Calgary Board of Trade, 58, 520.
Calgary and Edmonton Ry., 21, 22, 489, 535.
Canada Atlantic Ry., 85-87, 492-494, 496.
Canada Car Company, 525.
Canada Club, London, England, 428, 442.
Canada Cycle and Motor Co., 519.
Canada Eastern Ry., 502, 503.
Canada Life Co., 512, 513, 517.
Canada Woollen Mills, 525.
Canadian Associated Press, 439, 440.
Canadian Bank of Commerce, 37, 364, 505, 509, 510, 519.
Canadian Bankers' Association, 519.
Canadian Bowling Team in England, 442.
Canadian Club, Boston, 451, 452.
Canadian Club, Cincinnati, 462.
Canadian Club, Hamilton, 161.
Canadian Club, Ottawa, 113, 157, 158, 163, 432, 435, 437.
Canadian Club, Toronto, 155, 158, 163, 164, 303, 423, 431-433, 436, 437, 485, 501.
Canadian Club, Whitby, 159.
Canadian Club, Winnipeg, 160, 437.
Canadian Coloured Cotton Company, 524.
Canadian Electrical Association, 524.
Canadian Forestry Association, 538.
Canadian Improvement Company (Sault), 264-270, 272, 273.
Canadian Industrial League, 35, 38.
Canadian Manufacturers' Association, 38-41, 202, 393, 427, 489, 515, 516.
Canadian Medical Association, 600.
Canadian Memorials in South Africa, 447.
Canadian Mining Institute, 545, 546.
Canadian News in U. S. Papers, Absence of, 459.
Canadian Northern Railway—
Extension of, 494, 495.
Referred to, 72, 85, 193, 200, 305, 493, 494, 499, 500, 533-535.
Statistics of, 495.
Toronto-Sudbury Line and, 276.
Canadian Pacific Railway—
Annual Statement of, 488, 489.
Appointments to, 490.
G. T. P. Project and, 198.
G. T. R. and, 72.
Irrigation Works of, 489.
Lumber Question and, 45-47.
Parliament and Construction of, 86.
Referred to, 193, 276, 349, 446, 485, 496, 499, 500, 502, 503, 508, 531, 535, 536, 539.
Statistics of, 487, 488.
Telephone Interests and, 61, 62, 66.
Western Interests and, 59, 73, 339, 340.
Canadian Oil Co., 518, 524.
Canadian Order of Chosen Friends, 512-514.
Canadian Order of Foresters, 512-514.
Canadian Order of Home Circles, 512-514.
Canadian Order of Oddfellows, 512-514.
Canadian Regiment for India, 408.
Canadian Society of Authors, 600.
Canadian Society of Philadelphia, 449, 455.
Canadian Temperance League, 570.
Canadian Westinghouse Company, 181.
Canadian Westinghouse Air-brake Co., 525.
Canadians in England, 426-429.
Canals, Statistics of, 485.
Canterbury, Archbishop of, in Canada, 429-431, 561.
Cape Breton Iron & Steel Co., 524.
Cape Colony, 367, 377, 406, 441.
Catholic Church, Roman, 559-562, 564.
Catholic Mutual Benefit Association, 512-514, 560.
Catholic Order of Foresters, 512, 513.
Catholic Separate Schools in Ontario, 561.
Centre Bruce Election Trial, 280.
Central Camp for Militia, 465.
Chambers of Commerce Association, 388.
Chamber of Commerce, Boston, U.S., 452, 457.
Chamber of Commerce, Detroit, U.S., 453.
Chamber of Commerce, London, 427.
Chamber of Commerce, Sydney (N.S.W.), 401.
Chamber of Manufacturers, Australia, 403.
Chamber of Manufacturers, South Australia, 402.
Chamber of Manufacturers, Sydney (N.S.W.), 403.
Chamberlain, Mr., Eulogized by Canadians, 426, 428.
Chamberlain, Mr., and the General Election, 244, 245.
Chamberlain, Mr., Health of, 378.
Chamberlain, Mr., Invited to visit Australia, 399, 400, 402.
Chamberlain, Mr., and *La Presse*, 225.
Chamberlain's Fiscal Policy, Mr.—
Advocated by Hon. Mr. Foster, 195, 397-399.

Chamberlain's Fiscal Policy—*Continued.*
Australian Discussion of, 399, 404.
Mr. Balfour Speaks on, 382, 384, 387.
British Chambers of Commerce and, 388.
British Liberal Opposition to, 383-386, 387, 433.
British Press and, 141.
British Trade Conditions and, 386, 387.
Canadian Opinion Regarding, 28, 29, 32, 59, 177-179, 180, 182, 189, 245, 390-399, 426-429.
Canadian Relations with Germany affected by, 376, 377.
Colonial Position Regarding, 384, 385, 388, 389, 390-404.
B. C. Conservatives Approve, 18.
Discussion in British Parliament of, 381, 382, 388.
Duties Proposed in Connection with, 382.
Empire Defence and, 409, 410, 415.
French Canadian View of, 210, 211, 390, 395, 428.
India's position regarding, 441.
Labour Interests and, 383, 403, 404.
Sir W. Laurier speaks of, 182, 393.
Manitoba Legislature approves of, 337, 339, 391, 392.
New Brunswick Legislature approves, 392.
Opposed in Canada by Messrs. Bryce and Morley, 433.
Opposed by Duke of Devonshire, 379, 387.
Opposed by Lord Rosebery, 389.
Personal Campaign and Speeches for, 378-383.
Prince Edward Island Legislature approves, 392, 393.
Proposed Colonial Conference in aid of, 382, 383-386, 401, 402.
Referred to, 432.
Resolutions in Parliament regarding, 389, 390.
Lord Rosebery on Conference to discuss, 383-386.
Lord Strathcona and, 426, 427.
South African support of, 443, 444.
Summary of Advantages in, 394.
Supported by Mr. Borden, 28, 29, 177-180, 189, 245, 390, 391.
Supported by Lord Grey, 374.
Supported by Lord Minto, 372.
Supported by National Union of Conservatives, 384.
Tariff Reform Commission and, 378, 380, 388, 389.
United States View of, 451, 453.
Western Boards of Trade Convention and, 59.
Chili, 410.
Chinese Restriction Acts (B.C.), 348, 349, 351.
Christianity, Dr. Goldwin Smith on, 565, 567.
Church of England, 551, 553, 554, 556-558.
Church of England in Canada, 429-431.
Church of England and Temperance, 573.
Church Missionary Society, 557, 568.
Churches, Canadian Union of, 550-556.
Churches, Financial Condition of, 556-559, 564.
Churches, Statistics of, 556-559, 562, 563, 565, 566.
Cigarettes, Legislation Against, 574, 575.
Classical Studies in Schools, 580, 591, 595.
Clayton-Bulwer Treaty, 28, 457.
Coal, Resources and Production of, 539-542.
Coastal Regulations regarding U. S. Goods, 459, 460.
Coast-Kootenay Ry, 347, 348, 355.
Cobden Club, 381.
Colleges in Quebec, R.C., 584.
Collingwood Board of Trade, 491.
Colonial Conference of 1902, 383, 389, 398, 403, 406.
Colonial Conference, Proposed, 382, 383-386, 402, 403.
Colonial Offer *re* Preference, 388, 389.
Colonization Commission, Quebec, 311, 313, 314, 315.
Columbian College, New Westminster, 562.
Commission, Mr. Chamberlain's Tariff Reform, 378-380, 388, 389,
Commission to Consolidate Quebec Statutes, 162.
Commission, Georgian Bay Fishery, 549.
Commission, U. S. Isthmian Canal, 101.
Commission, Ontario Taxation, 492.
Commission, Quebec Colonization, 311, 313-315.
Commission, Trans-Continental Railway Construction, 101, 102, 197, 497, 498.
Commercial Agents, Canadian, 463, 521, 522.
Commercial Travellers' United Benevolent Society, 512, 513.
Confederation Life Association, 512, 513, 519.
Confederation with Newfoundland, Canadian, 420-423.
Conference of 1894, Intercolonial, 398.
Conference, Ontario Conservative, 65, 293-296.
Conference, Proposed Colonial, 382-386, 402, 403.
Conference in Toronto, Church, 550.
Conference at Washington, Arbitration, 458.
Conferences, Methodist, 552, 562-564, 571, 572.
Congregational Churches in Canada, 550-555.
Congregational Union, 565.
Congregationalists and Church Union, 550-555.
Congress, Chambers of Commerce, 422.
Consolidated Lake Superior Company, 268.
Consolidated Rural Schools, 331, 338, 339, 586.
Consular Service, Proposed Canadian, 446.
Continental Reciprocity League, 454.
Convention, B. C. Conservative, 18.
Convention, Democratic National, 451, 460.
Convention, Halifax Conservative, 18.
Convention, Massachusetts Republican, 453.
Convention, New Hampshire Republican, 453.
Convention, Ontario Liberal, 65, 286-292.
Convention, Republican National, 450.
Convention, Sherbrooke Conservative, 29.
Convention, St. John Liberal, 17, 18, 32.
Convention, Western Boards of Trade, 57-59.
Convention, World's Sunday School, Jerusalem, 564.
Convictions for Drunkenness, 302.
Corea, Canadian Missionaries protected in, 408, 409.
Cornell University, 453.
Cornwall Canal Contract Discussed, 102-104, 108.
Cotton Companies, Amalgamation of, 525.
Council of Defence proposed in Australia, 418.
Crime in Canada, Statistics of, 574-576.
Criminals, Countries of Origin of, 574, 575.
Criminals, Juvenile, 575.
Criminals, Punishment of, 575, 576.
Crown Bank of Canada, 508, 510.
Crow's Nest Pass Coal Co., 508, 539.
Cunard Line, 270, 487.
Cuba, 459, 521.

Dalhousie University, 553, 577, 597, 598.
Deceased Wife's Sister Law and Australia, 443.
Defence, Australian Council of, 418.
Defence of the Empire—
Canadian Advocacy of Contribution toward, 407, 409-413.
Mr. Balfour Deals with, 416.
British Advocacy of Colonial Contribution to, 415, 416.
British War Office Re-organization and, 404, 405.
Canadian Discussion of the, 408-413.
Canadian Discussion of Navy "Withdrawal," 406, 407.
Canadian Militia and, 129, 130-140, 468, 469, 472-474, 481.
Canadian Missionaries in Corea and, 408, 409, 413.
Duke of Devonshire deals with, 414, 415.
Discussed in Canada by Mr. Morley, 433, 434.
Discussion in Great Britain of, 414-416.
Imperial Defence Committee and, 408, 413, 414.
Panama Canal and Canadian Attitude toward, 411, 412.
Redistribution of British Forces on Land, 406.
Redistribution and Mobilization of the British Fleet, 406-408, 415.
Referred to, 440, 446.
Report of Royal Commission on Volunteers (British), 405.
Russian Outrage upon Hull Fleet and, 367, 413, 415, 416, 418, 447.

Democratic National Convention, St. Louis, 451, 460.
Denmark, 410.
Denominational Faith of Canadian Criminals, 574, 575.
Diamond Sculls at Henley, Canadian Victory in, 439, 440.
Diocesan Theological College, Montreal, 430, 598.
Dissolution of Ontario Legislature, 304.
Dissolution of Parliament, Power as to, 166.
District Officers Commanding the Militia, 483.
Dominion Alliance, Toronto, 299-302.
Dominion Artillery Association, 112, 481.
Dominion Atlantic Railway, 504.
Dominion Bank, 510.
Dominion Coal Company, 452.
Dominion Cotton Company, 524.
Dominion Educational Association, 577, 578.
Dominion Express Company, 599.
Dominion Iron and Steel Co., 507.
Dominion Steel Works, 600.
Drill-book issued by Lord Dundonald, 111, 466.
Duluth and South Shore Ry., 487.
"Dumping Clause" in Canadian Tariff, 51, 54, 55, 444.
Dundonald, Major-Genl. Lord—
Borden, Sir F., eulogizes, 110, 471.
British Press and, 140-143.
Called a "Stranger," etc., by the Premier, 121, 122, 134.
Conservative View as to Conduct of, 118, 121, 130-135.
Discussion in British Parliament concerning, 145-147.
Discusses Independence Tendencies, 438.
Dismissal of, 124.
Defended by Mr. Borden, 121.
Demonstrations at Ottawa, Montreal and Quebec, 138-140.
Denounces Militia Council Proposal, 474.
Drill-book issued by, 111, 466.
Duties as G.O.C. of, 122.
Famous Speech at Montreal of, 115.
French-Canadians and, 129, 131, 132, 134, 135, 137, 145-148, 210, 211, 214, 245.
General Election and, 170, 171, 178, 194, 195, 204-211, 243, 245.
Imperial Interests and, 133, 137, 138, 141-143, 144-147, 410, 411.
Liberal View as to Conduct of, 117-126, 131-134.
Memorandum Addressed to Col. Hughes by, 119, 120, 124.
Militarism Charged Against, 130, 137, 147-149, 205-209.
Militia Officers and, 126.
Militia Policy of, 111-113, 464-466, 471.
Minister of Agriculture and, 116, 118-121, 123, 129, 131, 209.
Minister of Militia and, 117, 119, 124, 125, 128, 129, 132, 470, 471.
Order-in-Council Dismissing, 122, 123.
Parliamentary Discussion Regarding Action of, 117-122, 130-135.
Dundonald, Major-Genl. Lord—*Continued.*
Political Conditions and, 115-117, 119-121, 130, 131, 142-144.
Preliminary Troubles with Militia Dept. of, 114, 115, 482.
Press Opinion as to Conduct of, 113, 114, 117, 118, 125, 126, 129, 130, 138.
Provincial or District Responsibility of Ministers, 123.
Referred to, 404, 408, 436, 473, 476, 477, 481, 482.
Report by Sir F. Borden on Action of, 124, 125.
Report as G.O.C. of, 464-466.
Statement of Case from, 126-128.
Suppressed Report of, 127, 132-136, 148, 149.
Toronto Reception and Speech of, 135, 138.
Work of the Year as G.O.C., 110-114, 464-466.
Duty Asked for on U.S. Lumber, 538.
Duty, U.S. and Canadian Rates of, 451,

Eastern Extension Railway, 329.
Eastern Extension Telegraph Company, 443.
Eastern Townships Bank, 509, 510.
Edmonton Board of Trade, 520.
Edmonton Created a City, 601.
Edmonton, Progress of, 526.
Education, Statistics of, 581-589.
Education, Statistics of Higher, 590, 594, 596-598.
Educational Gifts of Sir W. C. Macdonald, 578.
Edward VII., King, 366, 367, 372.
Edward VII., King, Painted for House of Commons, 446.
Election, Dominion General, 165-256,
Election, Dominion General—
Auditor-General's Position and, 179, 180, 215, 216.
Mr. A. B. Aylesworth's Share in, 189-192.
Ballot-Box Conspiracy in West Hastings and, 254-256.
Blair-Russell Incident and, 221-227, 250-254.
Mr. Borden's Manifesto During, 188, 189.
Mr. Borden's Personal Defeat in, 236, 249, 250.
Mr. R. L. Borden's Speeches during, 176-181, 185-187.
British Columbia Grievances and, 173.
British View of, 163.
Causes of Result in, 242-244.
Mr. Chamberlain's Influence in, 244, 245.
Changes of Party Allegiance during, 233, 234.
Dissolution of Parliament and, 167-169.
Dundonald Affair and, 170, 171, 178, 194, 195, 204-211.
Hon. G. E. Foster and, 192-195.
Mr. R. R. Gamey and, 190, 216, 217.
Government Ownership of Railways and, 171.
Grand Trunk Pacific and, 169, 170, 175, 176, 177, 179, 180, 195-202, 232, 238.
Election, Dominion General—*Continued.*
Sir W. Laurier's Speeches during, 174-176, 181-185, 187, 188.
Liberal Corruption Charged by Mr. Foster, 193, 194.
Ontario Government and, 216, 217.
Party Contributions to Funds for, 226.
Party Organization for, 166.
Party Policies and Issues, 169-174.
Party Promises to Constituencies and, 227-230.
Political Changes Preceding, 166, 167.
Political Prophecy Concerning, 234, 235.
Power of Dissolution and, 165.
Preceding Conditions of, 167-169.
Preliminary Discussion of, 17, 18, 23, 165.
Referred to, 17, 18, 23.
Result of, 235, 242.
Tariff Issues and, 174, 175, 181, 182, 194, 195.
Temperance Question, and 178, 184.
Territorial Autonomy and, 174, 202, 204, 342.
Yukon Administration and, 171, 217-220, 352, 353.
Election, Prince Edward Island, 334-336.
Election, Newfoundland General, 419-422.
Election, Ontario Provincial, 304-309.
Election, Quebec Provincial, 318-324.
Elections, Dominion Bye-, 19, 20, 30-33.
Elections, New Brunswick Bye-, 330.
Elections, Nova Scotia Bye-, 326.
Elections, Ontario Bye-, 258, 260, 264, 265.
Elections, Prince Edward Island Bye-, 333, 334.
Elections, Quebec Bye-, 310.
Electric Establishments in Canada, 524.
Electric Light, Municipal Ownership of, 59, 60, 63-66.
Electric Railways, Municipal Ownership of, 60-65.
Empire, The British—
Appointments made and Honors conferred, 369, 370, 373.
Mr. A. B. Aylesworth on Unity of, 191.
British Trust Funds Investment in Canadian Securities, 151, 346.
Canadian Associated Press and, 439, 440.
Canadian Governors-General and, 370-376.
Canadian Militia and, 129, 130-140, 467-474, 481.
Canadian Preferential Tariff and, 34, 40-43, 50, 54, 55, 175, 182-184, 188, 190, 377, 378, 427, 432.
Canadian Trade with, 521, 522.
Mr. Chamberlain's Fiscal Policy for, 18, 28, 29, 32, 59, 141, 177-190, 372, 378-404, 431-433.
Closer Union of Countries in, 367, 376, 379, 380, 384-387, 391, 392, 394, 400, 427, 429, 431.

Empire, The British—*Continued.*
Defence Question Discussed in, 404-418, 432-433.
Defence System of, 404-406.
Discussion of Canadian Separation from, 436-439.
Discussion of Various Relations with, 440-447.
Distinguished Men Dying During Year, 369.
Lord Dundonald and, 133, 137, 138, 141-143, 144-147.
King Edward and, 366, 367.
Governmental Changes in, 366-369.
Lord Grey on Unity of, 375, 376.
Lord Minto on Unity of, 370, 372.
Opposition to Closer Union of, 433, 436, 437.
Rhodes' Scholarship and, 577.
Statistics of, 444.
Tariff Troubles with Germany of, 376-378.
Mr. B. E. Walker Proposes Reforms in Government of, 395.
Empire Cables, 443, 445.
Empire Club of Canada, 156, 432, 444, 445, 523.
Empire Day, 441.
England, Church of, 551, 553, 554, 556-558.
Erie Canal, 486.
Esher's Committee, Lord, 404, 473.
Esquimalt and Nanaimo Railway, 355, 502.
Esquimalt, Withdrawal of British Naval Forces from, 406.
Establishments in Militia, new, 464, 465, 474.
Exhibition, Dawson City, 356.
Export Duty on nickel, 545.
Exports, Canadian, 520, 521.
Express Companies, Government Ownership of, 66, 67.

Failures in Business, 506.
Female Teachers, Qualifications of, 578, 586, 589.
Fielding, Hon. Mr., Speech at Toronto, 152, 153.
Finances of Prince Edward Island, 363.
Finances of the Territories, 364.
Financial Condition of Canada, 505-511.
Financial Liabilities of Parliamentary Session, 160.
Fire Insurance, Canadian, 514-518.
Fire Protection in Various Cities, 517.
Fire-Underwriters' Association, Canadian, 515.
Fires in Canada, 1904, 514, 515.
Fisheries of British Columbia, 153, 154.
Fisheries, Export from Canadian, 521.
Fisheries, International Trouble over Lake, 457, 458.
Fisheries, Lake, and U.S. Interests, 549.
Fisheries, Production of Canadian, 543, 544.
Fishery Commission, Georgian Bay, 549.
Fishing Monopolies in the North, 549.
Flour, U. S. Exports of 450.
Food Supply of Great Britain, 443.
"Foreigner" Speech of the Premier, 121, 134, 135.
Forest, Export of Products of, 521, 531.
Forest Production and Resources, 530-534, 538.
Forest Reserves, Ontario, 531, 533, 538.
Foresters' Orphan Home, 518.
Forestry in Canada, 538.
Fort William Board of Trade, 520.
France, 80, 388, 425, 442, 458, 459, 521, 522.
France and the Hierarchy of Canada, 561, 562.
Fraternal Life Insurance, 512-514, 518.
Free Food League, 381.
Free Text-books in Ontario, 592.
Free Trade, 35.
Freight Rates, Railway, 18, 45-47, 489-492.
French Shore Treaty and Question, 419, 424-426.
Friends' Association of Canada, 565.
Fruit-growing in Canada, 535, 536.
Gamey Case, The, 27.
Gamey Case in Politics of the Year, 190, 216, 217, 243.
Gas, Municipal Ownership of 59, 65, 66.
General Assembly, Presbyterian, 558.
General Election (*see* Election, General).
General Reform Association for Ontario, 309.
German Consul-General at Montreal, 461.
Germany—
Arbitration Treaty with, 366.
Canadian Negotiations with, 376, 377.
Canadian Trade with, 521.
Price of Food in, 388.
Referred to, 52, 80, 403, 412, 442, 459.
Surtax Tariff and, 50, 376, 377.
Gibraltar, 405.
Girouard, Resignation of Sir Percy, 442.
Glasgow Incident and Lord Dundonald, 114, 129.
Gold, British Empire Production of, 444.
Gold Production, Canadian, 540-542.
Golfing Championship won by G. S. Lyon, 461.
Gordon Highlanders and the 48th of Toronto, 483.
Government Control of Liquor Traffic, 570, 571.
Government, Dominion—
Administrative Change in, 27.
Alien Labour Policy of, 92-94.
Autonomy Question and, 20, 22, 23.
Aylesworth, Mr., and, 27, 183, 189, 246.
Brodeur, Hon. Mr., and, 18, 26, 27.
Dundonald, Policy of, 122-125, 144, 145, 205, 206.
Mr. Emmerson and, 17, 18, 26, 27.
Mr. Fielding Discusses Policy of, 151, 152.
Hon. Mr. Fisher and, 22, 23.
The General Election and, 166-174.
General Policy of, 19, 20, 151, 152.
Government, Dominion—*Continued.*
G.T.P. Policy of, 73, 74, 85, 87, 88, 182, 183, 196.
Hon. Mr. Hyman becomes a Member of, 26, 27.
Hon. Mr. Lemieux enters, 26, 27.
Militia Policy of, 467-474.
Premier's Leadership of, 25, 26.
The Press and the New Members of, 26, 27.
Prohibition and, 184.
Rumours as to Changes in, 27
Tariff Policy of, 33-35, 49-53.
Tobacco Trust and, 55-57.
Government Geologist of New Zealand, 447.
Government Operation of Railways, 275.
Government Ownership of Liquor Traffic, 297, 299.
Government Ownership of Railways—
Australian Experience of, 77, 78.
Mr. R. L. Borden's Views of, 80-82, 196, 197.
Hon. Mr. Blair's Memorandum and, 84, 85.
Canada Eastern Railway and, 502, 503.
Canadian Conditions Favourable to, 77, 80.
General Elections and, 171, 182, 183, 188, 195, 199.
Grand Trunk Pacific and, 77, 85
Intercolonial Railway and, 78-80, 84, 85, 202, 333, 496.
Sir Wilfrid Laurier and, 80, 182, 183, 196.
New Brunswick and, 333.
Ontario Government Policy Towards, 274-277, 291.
Parliamentary Discussion of, 78-82.
Popular Discussion of, 78.
Press Discussion of, 82-84.
Referred to, 23, 59.
Government Tolls on Canals Removed, 485.
Governor-in-Council and the Militia, 468-469.
Governor-General of Canada, Rumoured Appointments as, 373, 431.
Governor-General, Retirement and Appointment of, 370, 376.
Governor-General, Winnipeg Residence for, 446.
Good Roads Association of U. S., 501.
Grain Shipments, Canadian, 485.
Granby Consolidated Mining, Smelting and Power Co., 508.
Grand North-West Central Ry., 535.
Grand Trunk Pacific Project—
Alien Labour and, 92-96.
Approved by Canadian Manufacturers' Association, 202.
Approved by Mr. G. E. Drummond, 40.
Hon. Mr. Blair and, 19.
Blair-Russell Incident and, 223-226, 251.
Mr. R. L. Borden and, 74-77, 80, 82, 90, 96 177, 179, 180, 196, 197, 232, 233.
Government Changes in Character of, 19, 67.
G. T. R. and Changes in, 67, 69, 73, 74.
Commissioners, Directors and Officers of, 497, 498.

Grand Trunk Pacific Project—*Continued.*
Construction Commission for, 101, 102, 197, 497, 498.
Control of Rates in, 85.
Country traversed by, 68-71, 98-100.
Discussed by the Grand Trunk Interests, 67, 69-73, 442.
Expropriation and Vested Interests of, 92, 179.
Financial Conditions and Cost of, 70, 71, 73, 74-77, 96-98, 101.
General Elections and, 17, 67, 169, 170, 175-177, 179, 180, 195-202, 232, 233, 243, 251.
General Progress of, 23, 67-69, 100-102.
Government Construction and, 68-70, 75, 76, 78-85.
Grand Trunk Connection with, 492, 493.
Sir W. Laurier and, 73, 74, 79, 80, 87, 175, 176, 196.
Length of Line in, 70.
Liberal Arguments for, 85, 88.
Method of Construction of, 503.
Ontario Government and, 263, 268, 274-297, 305.
Opposition Criticism and Policy, 67, 68, 74-77, 80-82, 488-492.
Opposition Policy Criticised, 85-88, 175, 176, 198, 199.
Origin of, 70-88.
Pacific Terminus of, 102.
Parliamentary Discussion of, 73-77, 78-82, 85-92.
Peace River Country and, 98-100.
Personal Discussion of, 68.
Press Discussion of, 68, 69, 100, 101.
Referred to, 525, 539.
Rent of, 68, 70.
Senator Cox Speaks of, 197.
Speyer & Co. purchase Bonds of, 504.
Surveys for, 102, 503.
Western Discussion of, 197-201, 232, 233.
Grand Trunk Railway—
Appointments to, 494.
C.P.R. and C.N.R. Competition with, 72.
Financial Responsibility in G.T.P. of, 71-74, 90.
Freight Rates and Traffic upon, 490, 491.
G.T.P. Project and, 67, 69, 73, 90, 91.
Purchases Canada Atlantic Railway, 492-494.
Referred to, 67-69, 485, 500, 501.
Statistics of, 493.
Great Britain—
Accession Oath Question in, 369.
Advantages of Chamberlain Policy to, 379, 380, 383, 384, 388, 394, 396, 400, 402, 403.
Bye-elections in, 367.
Canadian Preferential Tariff and, 377, 378.
Canadian Trade with, 521, 522.
Canadian Visitors and Speeches in, 426-429.
Defence of Empire Discussions in, 414-416.
Defence Interests of, 407, 409, 410, 414-416.
Defence System Re-organized in, 404-406.
Great Britain—*Continued.*
Discussion as to Imperial Future of, 379-390.
Distinguished Visitors to Canada from, 429-434.
Government of, 366, 367.
Naval Strength of, 459.
Parliamentary Discussions in, 369.
Parliamentary Resolutions regarding Chamberlain Policy in, 381, 382, 389, 390.
Settlement of French Shore Question by, 424-427.
Taxes upon Food in, 382-390.
Telegraph Ownership in, 66.
Trade Conditions and Wheat Imports of, 386, 387.
Treaties of Arbitration made by, 366, 367.
Great Northern Railway of Quebec, 317.
Great Northern Railway of the United States, 494, 500, 502, 508.
Grey, Lord—First months as Governor-General, 373-376.
Grenadier Guards Band, 447.
Guardian Life Assurance Company, 516.
Guelph Board of Trade, 393, 520.
Guelph and Goderich Railway, 489.

Halifax Board of Trade, 68, 393, 503, 515, 520.
Halifax Fisheries Award, 331-334, 354.
Halifax Presbyterian College, 597, 598.
Halifax, Withdrawal of British Forces from, 406-408.
Hamilton, Bank of, 509, 510.
Hamilton Board of Trade, 520.
Hamilton Street Railway, 65.
Hierarchy, Pastorals and Letters of the, 559-561, 569, 596.
"Higher Criticism," Cooke's Church, Toronto, and, 558.
Hochelaga, La Banque d', 509, 510.
Holland, 521.
Home Bank of Canada, 508.
Home Market Club Banquet, 455, 456.
Home Rule for Ireland, 432, 433, 442.
Horse-breeding, Canadian, 535.
Hudson's Bay, Canadian ownership of, 154-157.
Hudson's Bay Company, 524, 535.
Hudson's Bay Fisheries, 549.
Hudson's Bay Mining Regions, 547.
Hudson's Bay, Navigability of, 58, 155-157.
Hudson's Bay Whale Fishery Regulations, 549.
Huntsville and Lake of Bays Railway, 277.
Huron and Bruce Loan Co., 519.

Immigration into Canada, 601.
Immigration into Quebec, 312.
Immigration of U. S. Farmers into Canada, 450.
Imperial Coal and Coke Co., 524.
Imperial Committee of the Privy Council, Proposed, 443.
Imperial Defence Committee, 408, 413, 414, 467, 476.
Imperial Maritime Council, Proposed, 441.
Imperial Military Service, Canadians in, 442.
Imperial Bank of Canada, 37, 509, 510, 519.
Imperial Policy and Chinese Restriction in British Columbia, 351.
Imperial Service of the Militia, 468, 469, 472-474.
Imperial South African Association, 441.
Imperialism, 210, 213, 214, 223, 383, 391, 395, 417, 436-438, 441, 444, 454, 520, 521.
Independence Idea, Discussion of, 433, 436-439, 454.
Independent Order of Foresters, 512-514, 517, 518.
India, 80, 405, 408, 443, 521.
India, Preferential Trade and, 441.
Indians of Canada, 601,
Industrial Progress of Canada, 38-40.
Industrial Establishments in, 1901 523.
Industries, Canadian, 523-525.
Insurance, British Preference to Canadian, 517.
Insurance, Fire, 514-518.
Insurance, Fraternal, 512-514, 518.
Insurance of Letters, 516.
Insurance, Life, 512-514, 517, 518.
Insurance, Miscellaneous, 517.
Intercolonial Conference of 1894, 398.
Intercolonial Railway—
Mr. Borden on Government Management of, 180, 189.
Hon. Mr. Blair and, 84, 85.
Mr. Foster on Government Management of, 195.
Government Ownership and, 78-80, 84, 85, 202, 333, 496.
G.T.P. Project and, 170, 177.
Statistics of, 496.
Western Extension of, 77, 82, 85, 90, 177, 195.
International Coal and Coke Co., 539.
International Council of Women, 567.
International Harvester Company, 181.
International Parliamentary Peace Union at Niagara Falls, 461.
Investments in Agriculture, 528.
Ireland, 366, 432.
Italy, 366, 442, 459.

Jackson Appointment in Parliament, 104-106.
Jamaica, 521.
James Bay Railway, 494, 495.
James Bay Railway, 263, 276, 305.
Japan, 454, 521, 522.
Jennison Water Power Rights (Ontario), 267.
Johns Hopkins University, Baltimore, 442.
Judicial Committee of the Privy Council, 64, 330, 334, 340, 354, 442, 445, 446, 462.

Kentville Board of Trade, 520.
King's College, Windsor, 593.
King's Colours to Canadian Regiments, 372, 483.
King, The, and the Militia, 463, 469, 473.
King's Regulations in the Militia, 467, 473, 476.
Kingston Street Railway, 62, 63.
Knights of the Maccabees, 512.

Knights of Pythias, 512, 559.
Knox College, Toronto, 551, 597, 598.

Labour Conditions in Australia, 368.
Labrador Fishing Interests, 549.
Labrador and Newfoundland, 424.
Lagos, 419.
Lake Superior Corporation, 506, 507.
Lake of the Woods Milling Company, 519.
La Presse, Purchase of, 222-227, 251-254.
Laurier, Sir Wilfrid—
Auditor-General's Position and, 108.
Beckles Willson Attacks, 165, 166.
Blair Memorandum and, 84.
Blair-Russell Incident and, 227, 251-253.
Cigarette Smoking and, 575.
Cornwall Canal Contract and, 103.
Defends Government Policy, 20.
Defends G. T. P. Policy, 87, 175, 176.
Defends Preferential Tariff, 175, 182, 184, 188.
Eulogized by Hon. G. W. Ross, 216.
Eulogizes Lord Minto's Administration, 371.
Expresses Opinion as to the Ontario Premier, 307.
German-Belgian Treaties and, 187, 188.
Government Ownership Views of, 80, 182, 183.
Government Operation of Railways and, 196.
Hudson's Bay Policy of, 156.
Letter regarding North-West Autonomy of, 203, 342.
Personal Influence in General Election of, 242, 244.
Presents G. T. P. Contract to Parliament, 73, 74.
Reciprocity and, 20.
Sir H. G. Reid's Opinion of, 163.
Speaks on Chamberlain Policy, 182, 393, 427.
Speaks upon the Dundonald affair, 121, 122, 133-135.
Speeches during Federal Elections, 174-176, 181-185, 187, 188.
Strength as Leader, 25, 26.
Tariff Views of, 34, 35, 52, 53, 175, 182, 183.
Temperance Views of, 184.
Treaty-making Power discussed by, 435.
Trent Valley Canal and, 191, 192.
Laval, University of, 597, 598.
Laval University, Montreal, 438, 448.
Lead Bounties in B. C., 43, 44.
"Learn to Think Imperially," 380.
Le Roi Mine, B.C., 547.
Liberal Convention of Ontario, 287-292.
Liberal Council Interior District (B.C.), 18.
Liberal-Unionist Association, 379.
Life Insurance, Statistics of, 512-514.
Light, Heat & Power Company of Montreal, 317.
Liquor Laws, Better Enforcement of, 569, 570.
Liquor Licenses in Ontario, 302.
Liquor Licenses in Manitoba, 338, 340.
Liquor Licenses in United States, 302.
Liquor Traffic, Government Ownership of, 297, 299.
Liquor Traffic, Statistics of, 572.
Loan Companies, Canadian, 511.
Loan Companies, Ontario, 511.
Loan Companies in Nova Scotia, 329.
Local Option By-laws, 569, 573, 574.
Local Option Temperance Plan, The, 297.
London Board of Trade, 520.
London Temperance League, 569, 570.
Londonderry Iron and Mining Co., 523.
Lord's Day Alliance, 564,
Lumber Cut of the Year, 531.
Lumber Industry, The, 18, 37, 44-49, 248, 349.

Mabou & Gulf Ry. Company, 328.
Machine, The Ontario Political, 285, 306.
Magazines, U.S., in Canada, 458.
Manchester School, 433.
Manitoba—
Agricultural Production of, 526-530, 536.
Approves Mr. Chamberlain's Policy, 391.
Boundaries of, 345, 346, 363, 364.
Business Failures in, 506.
Changes in Government of, 337.
Condition of, 363, 364.
Crime and Criminals in, 574, 575.
Discussions in Legislature of, 337-339.
Education in, 588, 589.
Federal Elections and, 197-201, 232, 233, 243.
Fisheries Production of, 543.
G. T. Project and, 86.
Imports of, 521.
Liquor License Policy of, 338, 340.
Lumber Question and, 44-49.
Opposition Leader in, 337, 340.
Rhodes Scholar Selected in, 577.
Shipping of, 487.
Swamp Lands Case in, 340, 354, 363.
Manitoba Agricultural College, 356, 364.
Manitoba School Question, 184.
Manitoba & S.-W. Ry. Co., 535.
Manitoba, University of, 591, 597, 598.
Manitoulin & North Shore Ry., 270, 273.
Manufactures, Export of, 521.
Manufacturers Life Insurance Co., 512.
Maritime Board of Trade, 393, 524, 525.
Mauritius, 419.
McGill University, 427, 443, 456, 577, 597, 598.
McGill University and Ontario Certificates, 578, 579, 581.
McMaster University, Toronto, 579, 598.
Memorandum, Mr. Blair's Railway, 84, 85.
Memorial to Mgr. de Laval, 560.
Merchants' Bank of Canada, 509-511.
Merchants Bank of P.E.I., 510.
Methodist Church of Canada, 550-555, 562-564.
Methodist Conference Presidents, 564.
Methodist Rules as to Dancing and Cards, 562.
Methodists and Church Union, 550-555.
Metropolitan Bank, 509, 510.
Mexican Steamship Line Project, 486, 487.
Mexico, 521.
Mexico, Sir W. Mulock in, 458, 462, 486, 487.
Mexico, Postal Convention with, 463.
Mexico, Steamship Line to, 23.
Militarism, 461.
"Militarism" and Lord Dundonald, 130, 137, 147-149, 205-211.
"Militarism" in the General Election, 204, 214, 245.
Military Rifle League, Canadian, 483.
Militia in Australia, 416-418.
Militia Bill of 1904—
Lord Dundonald's share in, 205-208.
Introduced by Sir F. W. Borden, 467.
Parliamentary Discussion of, 469-473.
Promised to Parliament, 19.
Officers' Advice asked regarding, 481.
Referred to, 408, 438, 476.
Terms and Proposals of, 467-469.
Militia of Canada, The—
Annual Report of G.O.C. on, 464-466.
Appointments in Connection with, 466, 475, 477-481.
Lord Aylmer and, 124, 466, 482.
Banquets to Sir F. Borden by, 476,
Sir F. Borden describes Government Policy toward, 128, 129, 467, 476.
British Command of, 121, 122, 133, 467, 470, 471, 473, 476.
British Press and, 141-143.
Camps of Exercise and Instruction, 475.
Central Camp proposed for, 465.
Condition of, 482.
Dismissal of G.O.C., 124.
District Officers Commanding, 483.
Lord Dundonald in, 464-466.
Lord Dundonald describes condition of, 126-129, 136, 137, 464-466.
Lord Dundonald's alleged conscription views as to, 205-208.
Lord Dundonald's alleged financial proposals as to, 137, 148, 149.
Lord Dundonald as G.O.C., 110-114, 122, 136, 464-466.
Empire Service of, 468, 469, 472-474.
Imperial Position of, 129, 139, 140.
Increased Pay of, 228, 467.
Militia Council and, 23, 468, 469, 471, 473, 474.
New Establishments of, 464, 465, 474.

Militia of Canada, The—*Continued.*
Officers and Lord Dundonald, 126.
Parliamentary Discussion as to, 13-15, 117, 118-122, 469-474.
Parliamentary Legislation regarding, 466-469.
Permanent Force in, 465, 467, 480.
Politics in connection with, 114-117, 119-121, 130, 131.
Reforms suggested or made by, 111-113, 136.
Relationship of the Crown to, 468, 469.
Schools of Instruction in, 465, 466.
Special Regulations regarding, 480.
Militia Commissions in Imperial Army, 445.
Militia Council of Canada, 123 468, 469, 471, 474, 475, 477, 478, 481, 483.
Mineral Exports, 521.
Mineral Production of Canada, 539-542.
Mineral Resources of Canada, 539, 540.
Minerals in New Ontario, 533, 534.
Miners' Delegation to Nova Scotian Government, 545.
Mining Association, B.C., 545.
Mining Society of N. S., 544.
Ministers, Scarcity of, 557-559.
Minneapolis and St. Paul Ry., 487.
"Minnie M." of Election Trial Notoriety, 282-284.
Mint, Canadian, 519.
Minto, Lord—Last year as Governor-General, 370-373.
Missionary Society, Church of England, 557, 568.
Missionary Society, Methodist Woman's, 568.
Molsons Bank, 509, 510.
Monroe Doctrine, 412, 461-463.
Montreal, Bank of, 505, 509, 510.
Montreal Board of Trade, 48, 520.
Montreal Congregational College, 598.
Montreal Light, Heat & Power Co., 518.
Montreal High School, 596.
Montreal Insurance Institute, 516.
Montreal Methodist College, 552.
Montreal Presbyterian College, 552.
Mormons in Canada, Polygamy and the, 564, 565.
Municipal Association, Ontario, 516.
Municipal Ownership of Public Utilities, 59, 67, 292, 294, 296, 307.
Municipal Telephones and the C.P.R., 499.
Municipalities and Education, 584.
Municipalities, Union of Canadian, 63.
Muskoka Election Trial, 280.
Mutual Life Insurance Co., 512.
Mutual Reserve Insurance Co., N.Y., 517.

Napanee Liquor Case, 357.
Natal, 377, 439.
Nationale, Banque, 510, 511.
National Board of Trade, U.S., 453.
National Council of Women, 376.
National Council of Women, Canada, 442.
Nationalist League, Canadian, 436.
Nationalist League in Quebec, 396.
National Live Stock Association, 535.
National Liberal Federation, 379.
National Trades and Labour Congress, 601.
National Trans-Continental Ry. (*See* Grand Trunk Pacific).
National Union of Conservative Associations, 379, 384.
Naval Strength of the Nations, 459.
Naval Militia, 467.
Navy League in Australia, 417.
Navy League in Canada, 411.
Navy League in New Zealand, 417.
Navy, Canada and the British, 405-407, 409-416.
Navy, British, 473.
Navy, Proposal for a Canadian, 409, 412, 436, 441.
Nelson Board of Trade, 43.
Netherlands, The, 410.
New Brunswick, Bank of, 510.
New Brunswick, Province of—
Approves Mr. Chamberlain's Policy, 392.
Agricultural Production of, 528, 529.
Budget in, 362, 363.
Business Failures in, 506.
Changes in Government of, 330.
Crime and Criminals in, 574, 575.
Education in, 578, 586,
Emmerson, Hon. Mr., and, 17, 18.
Fisheries, Production of, 543.
General Elections and, 17, 18, 221, 222, 242.
G.T.P. Project and, 86, 87, 101.
Imports of, 521.
Legislation in, 332, 333.
Mineral Resources and Production of, 539, 540.
Prohibition and the Government of, 570-573.
Hon. Dr. Pugsley and Government of, 221, 222.
Rhodes Scholar Selected in, 577.
Shipping of, 487.
Teachers' Salaries in, 578, 586.
New Brunswick Southern Railway, 333.
New Brunswick, University of, 577, 597, 598.
Newfoundland Cold Storage Company, 424.
Newfoundland, Island Colony of—
Canadian Trade with, 521.
Confederation with, 20, 40.
King Edward and the French Shore Settlement, 366, 367.
French Shore Question and Treaty, 419, 424-426.
General Discussion of Confederation with Canada, 420-423
General Election in, 419, 422.
Opposition to Confederation with Canada, 419-423.
Policy of Bond Government in, 419, 420, 424.
Prosperity of, 418, 419.
Newfoundland, Island Colony of —*Continued.*
Relations with United States of, 420, 422-424.
Referred to, 542, 577.
Reid Railway Interests and, 419, 420, 424.
New Ontario, 291, 292.
New Ontario, Position and Progress of, 532-534.
New South Wales, Conditions in, 441.
New Westminster Board of Trade, 49.
New York Board of Trade, 453.
New York Manufacturers' Association, 453.
New Zealand, 66, 80, 377, 398, 414, 446, 447, 502, 521, 577.
News Agency in London, Canada's, 439, 440.
Newspaper Postal Rates, 599.
Nickel, Mining Conditions of, 545.
North American Life Assurance Co., 512.
Northern Colonization Railway, 489.
North-West Benchers and U.S. Barristers, 458.
North-West Mounted Police, 19.
North-West Railways and Mr. Osler, 21, 22.
North-West Territories—
Agricultural Production of, 527, 528, 530, 537.
Autonomy Question and, 202-204, 341-345.
Business Failures in, 506.
Crime and Criminals in, 574, 575.
Education in, 578, 587, 588.
Federal Elections and, 202-204, 233.
Financial Condition of, 364.
G.T.P. Project and, 86, 87.
Imports of, 521.
Lieut.-Governor Appointed to, 340.
Lumber Question and, 44-49.
Manitoba's Boundaries and, 345.
Mineral Resources and Production of, 539.
Mr. Osler's Railways and, 21, 22.
Northern Pacific Railway, 500-502.
North Grey Election Trial, 279, 284, 285.
North Norfolk Election Trial, 279, 281, 306.
North Perth Election Trial, 279, 306.
North Renfrew Bye-Election, 265, 266.
North Renfrew Election Trial, 280, 281.
North York Election Trial, 279, 281, 306.
Norway, 410, 461.
Norway and Sweden, 521.
Nova Scotia, Bank of, 462, 509-511, 518, 519.
Nova Scotia, Election of Bishop to Diocese of, 557, 558.
Nova Scotia, Province of—
Agricultural Product of, 528, 530.
Budget in, 362.
Business Failures in, 506.
Crime and Criminals in, 574, 575.
Education in, 578, 585.

Nova Scotia, Province of—*Continued.*
Federal Elections and, 231, 236, 237. 242-244.
Fisheries Production of, 543.
G.T.P. Project and, 86, 87.
Imports of, 521.
Legislation in, 328, 329.
Mineral Resources and Production of, 539, 540, 542, 545.
Political Affairs in, 327, 328.
Rhodes Scholar Selected in, 577.
Shipping of, 487.
Teachers' Salaries in, 578.
Nova Scotia Steel & Coal Co., 507, 508.
Nova Scotia Temperance Alliance, 569.

Oddfellows' Relief Association, 512-514.
Ontario Agricultural College, 263, 355, 446.
Ontario Bank, 509, 510.
Ontario Educational Association, 579, 591
Ontario General Election—
Dissolution of Legislature, 304.
Government Policy in, 305.
Opposition Policy in, 305.
Party Organization for, 309.
Speeches by Hon. G. W. Ross, 306-308.
Speeches by Mr. J. P. Whitney, 308, 309.
West Hastings Ballot-box Conspiracy and, 255, 256, 306, 307, 309.
Ontario Historical Society, 600.
Ontario Liberal Association, 287, 288.
Ontario, Province of—
Budget of, 359, 360.
Business Failures in, 506.
Bye-Elections in, 258, 260, 264, 265.
Charges of Corruption in, 254-258, 261, 262, 264, 279-285, 293-295, 302-304, 307, 308
Coalition Proposals in, 294, 295, 308.
Conmee and Bowman Case in, 267, 271, 273, 274, 293.
Conservative Conference, 293-296.
Crime and Criminals in, 574, 575.
Education in, 578-582.
Election Trials in, 257, 258, 260, 279-285, 302-304.
Federal Elections and Government of, 216, 217, 230.
Financial Policy in, 305-307.
Fisheries, Production of, 543, 544.
Gamey Case Discussed in, 190, 216, 217, 243, 261-263, 267, 286, 287, 294, 296, 303, 304.
Gamey, Mr. R. R., Speaks in, 190, 243, 258, 261-263, 273, 293, 295, 309.
Government Ownership of Railways in, 274-277, 291.
Government Payments to Sault Officials in, 268, 269.
G.T.P. Project and, 86, 87, 184.
Guarantee to Sault Ste. Marie Industries in, 268-274.
Imports of, 521.
Legislation of the Year in, 266, 267, 269-273, 274-277, 279.
Legislature, Debates in, 263-277, 298, 299.
Ontario, Province of—*Continued.*
Liberal Convention, 287-292, 301, 302.
Lieutenant-Governor's position in, 259, 260, 279.
Loan Companies of, 511.
Machine in Politics of, The, 285, 306, 307.
Mineral Resources and Production of, 539-542.
New Educational Regulations, 580, 581.
Opposition Policy and Position in, 257, 259, 262-275, 277, 293-296.
Policy of the Ross Government in, 268-277, 287-292, 296-302, 305, 306.
Position of the Ross Government in, 257-262, 279-286.
Prohibition and the Government of, 569-572.
Railway Taxation in, 277, 278.
Reconstructed Government of, 286, 287.
Regulation of Fisheries in, 548.
Rhodes Scholar selected in, 577.
Shipping of, 487.
Speeches by Hon. G. W. Ross in, 264, 269-271, 275-277, 289, 301.
Speeches by Mr. J. P. Whitney in 263, 270, 272, 275, 293-295.
Sturgeon Falls School Care. 263, 278, 279.
Temperance Policy of Opposition in, 294-300.
Teachers' Salaries in, 578, 581, 582, 587.
Temperance Policy of Government in, 289-292, 296-302.
Ottawa, Bank of, 520.
Separate School Question in, 203, 212, 344.
Territorial Divisions under Autonomy, 344, 345.
Orange River Colony, 377, 446.
Orange Mutual Benefit Association, 512-514.
Orange Order in Newfoundland, 422, 423.
Osaka Exhibition, Japan, 461.
Ottawa Board of Trade, 65, 458, 520.
Ottawa Drill-hall and Lord Dundonald, 208.
Ottawa Ladies' College, 598.
Ottawa and N.Y. Railway, 504.
Ottawa, University of, 357, 593, 598.
Ottawa Street Railway, 65.
Oxford and the Rhodes' Scholarships, 577.
Oxford, University of, 433, 434, 442, 447.

Palma Trophy Incident, 460, 461.
Pacific Cable, 442, 443.
Panama Canal Treaty, 457.
Panama Case, Canada and the, 411, 412.
Papal Delegate in Canada, 560, 561.
Parliament, Dominion—
Discussions in, 20-22, 24, 25, 49-53, 55-57, 66, 67, 73-82, 85-97, 103-110, 118-122, 130-135.
Last Session of 9th, 18-25.
Legislation of, 23.
List of Subjects debated in, 24, 25.
New Speaker of, 18, 19.
Prorogation of, 17, 23.
Speech from the Throne in, 19, 23.
Pastorals and Letters of the Hierarchy, 559-561, 569, 596.
Patriotism and Education, 578.
Peace River Country, Resources and Nature of, 98-100.
Peace River Valley, 527.
Peace Society of London, 457.
Penny Bank of Canada, 518.
Penny Savings Banks, 590.
People's Bank of Halifax, 510.
People's Bank of New Brunswick 510.
Permanent Force in the Militia, 465, 467, 480.
Peterborough Board of Trade, 520.
Philippines, 463.
Phœnix Assurance Corporation, 518.
Poetry of the Year by W. W. Campbell, 599.
Political Corruption in Canada, 157-159, 217-220, 227-230.
Political Corruption, Charges in Quebec, 326, 327.
Political Corruption in Ontario, 254-258, 262, 279-285, 293-295, 302-304.
Political Morality, Canadian, 157-159.
Ponton Case and Lord Dundonald, 114, 137.
Portage La Prairie Board of Trade, 520.
Port Arthur Board of Trade, 520.
Portland, Maine, and Canadian Railways, 75, 87, 90, 91, 177, 185, 201, 202, 247.
Ports in Winter, Canadian, 501.
Preference, British, to Canadian Insurance Companies, 517.
Preferential Tariff with British Guiana, 377.
Preferential Tariff, The Canadian, 34, 40-43, 50, 54, 55, 175, 182-184, 188, 190, 377, 378, 427, 432.
Preferential Tariff with New Zealand, 377, 398.
Preferential Tariff in Rhodesia, 374.
Preferential Trade within the Empire (*See* Mr. Chamberlain's Fiscal Policy).
Preferential Trade League of Australia, 399, 400.
Preferential Tariff with South Africa, 377, 398.
Prefontaine, Hon. Mr., Visit to Pacific Coast, 153, 154.
Presbyterian Church in Canada, 550-555, 558, 559.
Presbyterian General Assembly, 594.
Presbyterians and Church Union, 550-555.
Press Association, Canadian, 449, 458, 599.
Press Association, Nova Scotia, 600.
Press Association, Quebec, 449, 601.
Press Association, Western Canada, 599.
Primate of Canada Elected, 558.
Prince Edward Island, Province of—
Agricultural Products of, 528, 530.
Approves Mr. Chamberlain's Policy, 392, 393.
Bye-Elections in, 333-334.
Changes in Government of, 333
Crime and Criminals in, 574 575.
Education in, 578, 586, 587.

Prince Edward Island, Province of—*Continued.*
Financial Affairs in, 363.
Fisheries, Production of, 543.
Imports of, 521.
Lieut.-Governor appointed in, 33.
Political Affairs in, 333-336.
Prince Edward Island General Election, 334-336.
Prohibition Votes in, 571.
Rhodes Scholar selected in, 577.
Teachers' Salary Question in, 578, 587.
Prohibition Advocated, 569-573.
Prohibition Plebiscite of 1894, 302.
Prohibition discussed in Ontario, 290, 291, 294, 297, 299, 300, 302.
Protestant Teachers' Association, Montreal, 595, 596.
Provincial Rights and Education, 594.
Provinciale du Canada, Banque, 510.
Public House Trust, Lord Grey and, 374.
Public Works Department Reorganized, 27.
Pulp-wood, U.S. Attitude toward Canadian, 458.
Pulp-wood Companies in New Ontario, 534.
Pulp Industry, 292.
Pulp-wood Resources, 520, 521, 584.

Qu'Appelle, Long Lake & Saskatchewan Ry., 21, 22, 535.
Quebec Assurance Association, 516.
Quebec Bank, 509, 510.
Quebec Board of Trade, 520.
Quebec Bridge, 96, 176, 318, 500.
Quebec & Lake St. John Ry., 68, 317, 501.
Quebec Literary and Historical Society, 599.
Quebec, New Brunswick and Nova Scotia Ry., 496.
Queen's Own Rifles in Buffalo, 462.
Quebec, Province of—
Abstention of Conservative Party from Elections in, 319-321.
Agricultural Product of, 528, 530, 535.
Appointments in, 310, 311.
Budget of, 361, 362.
Business Failures in, 506.
Bye-elections in, 310.
Charges of Corruption in, 325, 326.
Colonization Commission Reports in, 311, 313-315.
Crime and Criminals in, 574, 575.
Discussion of Dissolution in, 318-321, 325.
Divisions in Liberal Party of, 310, 321-323, 325, 326.
Eastern Townships and General Elections, 17.
Education in, 582-584.
Federal Elections in, 213-216, 237.
Financial Policy of, 318.
Fisheries, Production of, 543.
General Elections in, 318-324.
Government Policy of the Session in, 314-318.
Government Reports in, 312, 313.
G.T.P. Project and, 86-89.
Quebec, Province of—*Continued.*
Imports of, 521.
Legislation of the Year in, 313-317.
Mineral Production of, 542, 546.
Montreal City and the Legislature of, 313, 314, 317.
Municipal Issues in, 321, 322.
Opposition Policy of the Session in, 315-318.
Position of the Government in, 310, 313.
Railway Subsidies in, 311, 317.
Result of Elections in, 323, 324.
Rhodes Scholar selected in, 577.
Shipping of, 487.
Teachers' Salaries in, 581, 582.
Queen's University and the Presbyterian Church, 590, 594, 595.
Queen's University, Kingston, 456, 567, 579, 597, 598.
Queen Victoria (Empire) Memorial Fund, 369.

Railway Commission of Canada—
Blair's, Hon. Mr., Appointment to, 20, 498.
Blair's, Hon. Mr., Retirement from, 223-225, 251-253, 500.
Members appointed to, 498.
Objects and Functions of, 498, 500.
Referred to, 18, 21, 171, 172, 185, 492, 500.
Telephone Interests and, 61, 62.
Work performed by, 499.
Race Cry in the General Election, 211-214.
Radium, Discovery in Quebec of, 546.
Railway Act, Mr. Lancaster and, 20, 21.
Railway Construction Cost in Australasia, 562.
Railway Projects in British Columbia, 347, 348.
Railways, Statistics of, 484.
Railway Taxation Commission, 278.
Rainy River Valley, 533.
Reciprocity with the United States—
American Advocacy of, 450-454 457.
Canadian Opposition to, 40, 41, 177, 183, 454, 457.
Laurier, Sir Wilfrid, and, 20.
Montague, Hon. Dr., speaks of, 454-456, 463.
Newfoundland and, 420, 422, 423.
Referred to, 248, 391, 396, 398, 399.
Redistribution of Seats, Dominion, 330, 334, 354.
Referendum Ontario Prohibition (1902), 296, 299-301, 572, 573.
Regiments, New Commanders of, 478-480.
Reid-Newfoundland Railway, 419, 420, 424.
Report of Canadian G.O.C. the Militia, 464-466.
Republican National Convention Chicago, 450.
Resolutions passed in favor of Church Union, 550-555.
Responsibility of Cabinet Ministers in Dundonald Affair, 123.
Retail Merchants' Association, 64.
Rhodesia, 374.
Rhodes' Scholarships for Canada, 577.
Richelieu and Ontario Navigation Company, 501, 502.
Rossland Board of Trade, 43.
Ross Rifle Contract, 482.
Royal Arcanum, 512.
Royal Bank of Canada, 510.
Royal Canadian Engineers, 481.
Royal Colonial Institute, 426, 429, 537.
Royal Insurance Company, 518.
Royal Military College, 482, 483.
Royal Naval Medical Service and Australasia, 441.
Royal Naval Reserve, Newfoundland, 419, 426.
Royal North-West Mounted Police, 353, 471, 481, 576.
Royal Templars of Temperance, 512-514, 569, 570, 572.
Royal Society of Canada, 446, 600.
Russia, 80, 412, 442, 459.
Rumford Medal awarded Prof. Rutherford, 443.
Russian Outrage upon Hull fishing fleet, 367, 413, 415, 416, 418, 447.
Rupert's Land, Election for Archbishop of, 556-558.
Russo-Japanese War, 458.

Salaries of Teachers, 578, 581, 582, 586-589, 591.
Salmon Fisheries, 543, 544, 548, 549.
Salvation Army Chief in Canada, 567.
Salvation Army Congress, 565.
Salvation Army Work for Criminals, 575.
Saskatchewan, 528.
Sault Ste. Marie Canals, 485.
Sault Ste. Marie Election Trial, 280-284, 306.
Sault Ste. Marie Industries and the Ontario Government, 268-274, 305.
School of Musketry and the Militia, 466.
Schools of Instruction, Militia, 465, 466.
Senate, The Government Majorities in, 23.
Senators Appointed in 1904, 164, 167.
Separate School Question, Manitoba, 596.
Separate School Question and North-west Autonomy, 203, 212, 344.
Separate Schools in New Brunswick, 594, 595.
Separate Schools in Ontario, Roman Catholic, 561.
Separate Schools in Quebec, R. C., 582, 583.
Shipping, Canadian, 487.
Socialism in British Columbia, 348.
Sons of England Benevolent Society, 512, 513.
Sons of Scotland, 512-514.
South Africa, 78, 405, 417, 437, 439, 442, 463, 521, 522, 577.
South African Memorial Association, 445.
South African War, 379, 398, 427, 432, 437, 445, 447, 458, 481, 483.
Sovereign Bank of Canada, 37, 508-510, 519.
Spain, 366.
Staff College, British, Canadian admission to, 481.

Staff of new Governor-General, 376.
Standard Bank of Canada, 510.
Standard Loan Co., 519.
Standard, London, change in Ownership of, 443.
Standard Oil Co., 524.
Steamship Line to Mexico, 23.
Stratford Board of Trade, 520.
Strathroy Board of Trade, 520.
Sturgeon Falls School Case, 263, 278, 279.
St. Catharines Board of Trade, 520.
St. Boniface College, Winnipeg, 598.
St. James' Cathedral, Toronto, Centenary of, 557.
St. Jean, Banque de, 510.
St. John Board of Trade, 332, 520.
St. John's College, Winnipeg, 598.
St. Hyacinthe, Banque de, 510.
St. Lawrence, Navigation of, 160.
St. Louis Exposition, 446, 448, 449, 462.
St. Louis International Congress of Military Surgeons, 461.
St. Pierre and Miquelon, 426.
St. Stephen's Bank, 510.
St. Thomas Board of Trade, 520.
Sun Life Assurance Co., 512.
Surtax, German, 50, 183.
Swamp Lands, Manitoba, 340, 354.
Sweden, Telegraphs in, 66.
Switzerland, 521.
Sydney, C.B., Created a City, 599.

Tariff, The—
- Budget Changes in, 50, 51.
- "Dumping" Clause in, 51, 54, 55, 444.
- Discussion of, 33-49.
- Canadian Manufacturers and, 38-41.
- Farm and Garden Products, 57.
- Hon. Mr. Fielding and, 35, 50, 51, 152.
- General Election and, 28.
- General Election and, 174, 175, 181, 182.
- Lead Industry and, 43, 44.
- Liberal Views of, 33, 37.
- Lumber Industry and, 37, 44, 49.
- Party Policies and, 28.
- Referred to, 17-19, 23.
- Revision of, 32, 33, 40, 50, 52.
- Surtax upon German Goods, 50, 376, 377.
- Tobacco Industry and 55, 57.
- Woollen Industries and, 37, 40, 41, 43, 50.

Tariff, Canadian Preferential—
- Application to Canadian Seaports only, 377, 378.
- Arrangements with New Zealand, British Guiana and South Africa, 377.
- Mr. A. B. Aylesworth and, 190.
- Benefit to Mother-land of, 377, 378.
- Discussed by Canadians in England, 427, 428.
- Sir W. Laurier defends, 175, 182-184, 188.
- Origin of, 34.
- Woollen Industry and, 41-43.

Tariff Reform Committee, 378-380.
Tariff Reform League, 381, 382.
Tariff for Revenue, 34.
Taxation Commission, Ontario, 492, 502.
Taxation upon Railways, 501.
Teachers' Salary Question, 578, 581, 582, 586-589, 591.
Telegraphs, Government Ownership of, 64, 66.
Telephones, Municipal Ownership of, 60-64, 66, 67.
Temperance Convention, Ontario, 571.
Temperance Convention, St. John, 572.
Temperance and Prohibition Question, The, 569-574.
Temperance, Sons of, 559.
Temiskaming and Northern Ontario Railway, 85, 263, 264, 267, 274, 275, 277, 291, 305, 355, 360. 532.
Temiskaming Railway Commission, 500, 501.
Tillsonburg, Lake Erie and Pacific Railway, 489.
Timber Limit Sales in Quebec, 312.
Timber Limits in Quebec, 538.
Tobacco Industry, Canadian, 55, 56.
Toronto, Bank of, 509, 510.
Toronto Board of Trade, 48, 378, 432, 520.
Toronto Insurance Institute, 515, 518.
Toronto Ladies' Club opened, 567.
Toronto, University of, 264, 266, 430, 577, 578, 580, 590-593, 596-598, 601.
Toronto University, Criticism of, 590-593.
Trade, Canadian (by countries), 521.
Trade Conditions of the Year, 520.
Trade, Statistics of Canadian, 520, 521.
Trades and Labour Congress of Canada, 600.
Traders' Bank of Canada, 509, 510.
Training Colleges for Teachers, 593.
Trap-fishing Regulations, B.C., 548.
Trans-Canada Ry., 311, 503.
Trans-Continental Railway Construction Commission, 497, 498.
Transportation Commission, Dominion, 486, 500, 501.
Transportation Interests, Canadian, 67-102, 195-202, 484-503.
Transvaal Colony, 377.
Transvaal War Fund, 427.
Treadgold Syndicate Affair, 547.
Treaty-making Powers, Extension of, 20, 435, 436, 445.
Treaty with France, British, 425, 442.
Treaties of Commerce with the Mother-land, 393, 396, 397, 446.
Treaties of Arbitration, 366.
Trent Valley Canal, 160, 171, 185, 190-192, 229, 230, 486, 501.
Trinity University, Toronto, 430, 433, 579, 597, 598.
Trust Funds Investment in Canadian Securities, 151.
Turbine Steamships of the Allan Line, 487.

Union Bank of Canada, 508-510.
Union of Baptist Churches, 566.
Union of Canadian Municipalities, 63.
Union of Churches in Canada Projected, 550-556.
Union Jack, The, 446.
Union Jack, Lord Dundonald and the, 139, 140.
Union Jack, U. S. Treatment of, 460, 461, 463.
Union Steamship Co'y of New Zealand, 446.
United States—
- Alaskan Boundary Affair and Annexation of Canada discussed in, 449, 450, 462.
- Canada and Trade Competition of, 34, 40, 52, 57.
- Canadian Competition with, 378, 450, 451-456.
- Canadian Lumber and, 44-49.
- Canadian Trade with, 521.
- Mr. Chamberlain's Policy and, 451, 453.
- Depression in, 34, 52.
- Financial Relations with Canada, 505.
- Higher Duties against, 34, 36, 37, 39, 52.
- Miscellaneous Relations with Canada of, 457-463.
- Murders and Suicides in, 462.
- Naval Defence of, 462.
- Portland, the G. T. P. Project and, 75, 87, 90, 91, 177, 185, 201, 202, 247.
- Railway Competition with Canada, 500, 502.
- Railway Statistics of, 503.
- Railway Subsidies of, 79.
- Reciprocity between Canada and, 20, 40, 41, 177, 183, 248, 391, 396, 398, 399, 450-457.
- Referred to, 52, 388, 403, 412.
- Relations of Newfoundland with, 420, 422, 424.
- Steel Interests Competition in Canada, 272, 273.
- Steel and Iron Competition of, 54.
- St. Louis Exposition, 448, 449, 462.
- Tobacco Monopoly in, 55, 56.
- War and Defence Expenditures of, 410.
- Woollen Interests of, 47-52.

United States and Canada compared, 450.
United States Steel Corporation, 272, 273, 495.
Universities, Statistics of, 590, 594, 596, 598.
University Appointments in 1904, 598.
University Degrees (Hon.) conferred in 1904, 597.
University Enrolment and Graduation, 598.
University proposed for British Columbia, 591.
Upper Canada College, 432.

Vancouver Board of Trade, 48, 355, 487, 515, 520.
Vancouver, Westminster and Yukon Railway, 500.
Victoria Board of Trade, 49.
Victoria University, Toronto, 551, 578, 580, 598.
Visitors to Canada, Distinguished, 431-434.

War Eagle Mine, B.C., 545, 547.
War Office Re-organization, 404, 405.

War Office Reconstruction Committee, 404.
Wars, Cost of, 457.
Water Powers, Public Ownership of, 64.
Waterways, Sir T. Shaughnessy Speaks of, 485.
Waterworks, Municipal Ownership of, 59.
Wesleyan Theological College, 597, 598.
West Africa, 425, 426.
West Indies, 270, 419, 521, 522.
Western Assurance Co., 516.
Western Bank of Canada, 509, 510.
Western Boards of Trade Convention, 57, 59.
Western Canada College, 598.
Wheat Crop of Canada, 536, 537.
Wheat, Export Duty upon, 463.
Wheat Imports into Great Britain, 386, 387.
Whale Fishery Regulations, 549.
Wholesale Grocers' Guild, 518.
Winnipeg Board of Trade, 431, 432, 520.
Winnipeg, Expansion of, 527.
Wisconsin Historical Association, 460.
Woman's Suffrage, 567, 568.
Women, International Council of, 567, 568.
Women, National Council of, 568.
Women, Vancouver Council of, 567.
Women's Clubs Denounced, 567.
Women's Christian Temperance Union, 568.
Women's Missionary Society, Methodist, 568.
Woodmen of the World, 512-514.
Woollen Industries, 37, 40-43, 50.

Yarmouth, Bank of, 510.
Yukon, Territory of—
Business Failures in, 506.
Commissioner Congdon and, 217-220, 352, 353.
Federal Elections and, 171, 217-220, 246, 352.
Imports of, 521.
Mineral Resources and Production of, 539, 542, 544-547.
Political Conditions in, 217-220.
Political Corruption Charges in, 171, 217-220, 352, 353.
Shipping of, 487.
Treadgold Syndicate Commission Report, 353.
Treadgold Syndicate and, 353.

CONTENTS OF SUPPLEMENT

THE CANADIAN NORTHERN RAILWAY.

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THE CANADIAN GRAPHIC.

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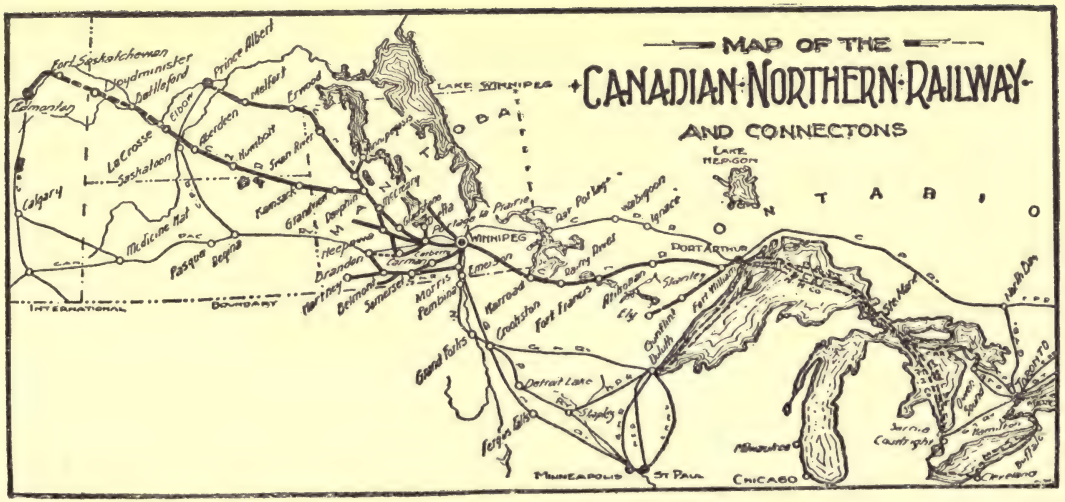

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For Fiscal Year Ended June 30th, 1904

Bonded Indebtedness	$12,787,979
Gross Earnings	$ 3,242,702
Operating Expenses.....	$ 2,120,772
Net Earnings	$ 1,121,930
Fixed Charges	$ 805,528
Surplus for the year.....	$ 316,401
Passengers Carried	358,133
Freight traffic (tons).....	1,109,585
Grain Carried (bushels) ..	9,992,195
Logs and Lumber (feet) ..	117,517,000
Hardware (tons)	24,664
Agricultural Implements (cars)	1,028
Building Material (cars)..	2,602
Manufactured Articles (tons)	262,973

THE CANADIAN NORTHERN RAILWAY COMPANY

A Powerful Factor in the West's Development

In the history of the Canadian Northern Railway are embodied the characteristics of a progressive Canadian enterprise. Its record is rich with confidence in the resources and development of the great West, and is full of evidence of faith in the country as a whole. In its progress the combination of business foresight and aggressive energy with clear-headed logic and excellent practicability has proved irresistible, and, within eight years, has enabled Messrs. William Mackenzie and D. D. Mann to expand a small independent line in the Dauphin region of Manitoba into a national railway stretching 2,500 miles through the richest wheat lands in the world, tapping the trade of a continent at the head of the Great Lakes, and reaching into a future of still greater development.

The first year's operation of the line running one hundred miles out from Gladstone has demonstrated that with economical management the earnings could pay both working expenses and fixed charges, and the experience thus gained was adopted as a part of the policy of the road.

Many and large unserved grain acres invitingly awaited the railway builders—the Government wisely continued the small bond per mile guarantee—and the work of extending the line was rapidly pushed. Other charters were steadily acquired, reaching from Winnipeg to the timbered Lake-of-the-Woods region and across the Provincial boundaries into the rich Rainy River country and the mineral regions and vast lumber districts of Northern Ontario, to Port Arthur, at the head of lake navigation and itself a natural shipping centre of the great West. All this preliminary work was carried out with the same caution as had characterized the first bit of construction from Gladstone. Each portion of the seemingly detached enterprises was made to pay its way until the time came to combine them all in one great railway.

This time was hastened by the arrangement with the Provincial Government by which the Manitoba lines of the Northern Pacific Railway—reaching from the International Boundary to Winnipeg, with branches from Morris to Brandon and Hartney through Southern Manitoba's richest wheat fields and past the productive plains of Portage la Prairie and extending within a few miles of Gladstone—were taken over for operation by the Canadian Northern. This was in June, 1901, and this increase of mileage together with that of the completed line between Winnipeg and Port Arthur—taken over for operation early in 1902—made a total mileage for the road at that time of 1,250 miles. The opening of this second outlet to the Great Lakes for western grain was heralded by the people of Manitoba as an event of inestimable importance.

The results from the first year's operation after the opening of the Port Arthur gateway showed gross earnings, $2,449,579—a gratifying surplus of $222,921 over operating expenses ($1,589,293) and fixed charges ($637,364).* The London market showed its

* Note—The figures for fiscal year ended June 30th are given on the margin of map page.

faith in the enterprise by readily responding to Mr. Mackenzie's appeal for funds to finance the road's various extensions and to help provide equipment to take care of the ever-increasing traffic. Further progress was astonishingly rapid. The Railway was soon traversing the beautiful, undulating and productive valleys of the North and South Saskatchewan—the very cream of wheat lands—and pressing on to the temporary objective point—Edmonton. The latter will be reached this autumn. From this centre a magnificent wheat region, larger than Manitoba, will be tapped. With the completion of the line to Edmonton the Canadian Northern will present the unique feature of a railway's main line passing through continuously a thousand miles of the richest wheat lands in the world.

CONFIDENCE OF CAPITAL IN THE ENTERPRISE.

An interesting feature in this record is the comparative ease with which the Railway has been financed. All of its issues are held in London and New York, and a recent issue of $3,000,000.00 of 4 per cent. perpetual consolidated debenture stock was over-subscribed several times. Some other elements of interest in the present growth and future development of the road may be summarized here: (1) The bonded indebtedness of the Railway is lower than that of any line in the world under anything like similar conditions and constitutes a most flattering comparison with United States roads in particular. (2) The fact that each portion of the line was self-supporting as soon as completed. (3) The diversity of interests tributary to the Railway is unusual—growing cities and towns and rural population; the unprecedented and increasing productiveness of the territory touched; the grain and timber and mines and cattle ranches spread along its course; the entire absence of any unproductive territory. (4) The tremendous growth of the Canadian West and the projection of the Company's lines in those sections which, by their richness, are attracting the greater bulk of immigration, making practically every incoming settler and every new farm and growing village a unit contributing to the success of the road. (5) In Winnipeg, which is now a great and ever-growing centre, the terminals of the railway are in the very heart of the city, close to and tapping the entire industrial district. (6) At Port Arthur enormous wheat elevators have been erected, having a combined storage capacity of 7,000,000 bushels and excellent facilities for receiving and delivering grain. (7) The immense and now developing resources of New Ontario in iron and other minerals have encouraged capitalists to establish a large smelting plant at Port Arthur. In connection with this are being laid out coal and ore docks, having a combined capacity of half a million tons, and with an up-to-date shipping plant adequate to meet the growing demands of the West for years to come. It is confidently expected also that the ore tonnage of this road will in a few years' time equal the enormous grain traffic now annually transported to the lake front.

CAPITAL - - $1,000,000

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